

WINE in CHINA

its History and
Contemporary
Developments



Proefschrift ter verkrijging van de graad
Grootmeester-Wijnproever van het
Nederlands Wijn Gilde

Pieter EIJKHOFF

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Fig. 1 (Title page): The Chinese character *'jiu'* with the general connotation 'wine' on a wooden Japanese sake cup. The left part of the character, three strokes, indicates 'liquid', the right hand part indicates a wine vessel.
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In memory of Pieter Eijkhoff (9-4-1929 - 15-11-2000)



During his life several of his hobbies developed into passions.

It was a coincidence that, through his scientific work, Pieter could make contacts in China, in 1977, just after the cultural revolution.

Overwhelmed by the rich history of the land his attention was captured and stayed focused on "China".

Years later, around 1990, when he was unofficially retired, one of his daughters in-law suggested they take a wine course together. They did, and again passion struck him, this time for the "wonders of wine and vine".

So it is not amazing that the idea to write about "wine in China" grew and took shape. What is amazing indeed is the fact that the task he had taken upon himself kept him going, in spite of his progressing severe illness, even during many days of hospitalization.

Toward the end of September 2000 Pieter remarked: "I need two more months to finish the manuscript"

The last notated alteration is dated October 28th, 2000

I am grateful his sons took pleasure in making the book presentable for the purpose it was meant for.

Out of esteem for their father it was not their intention to try to "finish" it.

May be just this occasional incompleteness can add an extra charm to this work of a man who was in fact a perfectionist.

The children and I are grateful to the authorized committee of the Netherlands Wine Guild. The members are willing to accept this manuscript as thesis and will make it possible to have it presented to them in the Building of the "Productschap voor Wijn" in the Hague, a location Pieter had wished for.

Finally I do hope this book will give the reader pleasure and insight into the subject and will add to the respectful memory of the Author.

Hanneke Eijkhoff - Pabon

Preface

In western (i.e. non-Chinese) books, journals and reports very little information can be found on Chinese wine and other alcoholic drinks. That is strange, because China has a cultural history that extends over thousands of years. China's culture was and still is highly interesting in many respects. During that history alcoholic drinks played an important role, and also in our days this is still the case.

Notable exceptions to this lack of coherent information are the following book and an Internet 'publication':

- Löwenstein, A. (Andreas) (1991). *Viniculture in the People's Republic of China*. [in German: *Weinbau in der Volksrepublik China*]. Saarbrücken -->, Verlag Rita Dadder. ISBN 3-926406-57-7 (M.Sc. thesis)

.... and:

- XU Ganrong & BAO Tongfa (1998). *Grandiose Survey of Chinese Alcoholic Drinks and Beverages*. Published through: School of Biotechnology, Wuxi University of Light Industry, Wuxi, Jiangsu Province, China. Available at Internet: <http://www.wxuli.edu.cn/wine\umain.htm>

It is worth noting that China has good capabilities for vine growing and for wine making: it has a wide variety of soils, many different climates and micro-climates, indigenous and imported grapes, as well as a huge population that constitutes a tremendous potential market, ... For these reasons this book attempts to summarize 'the history and the contemporary development' of wine in China.

The manuscript is based on the study of the scarce non-Chinese literature sources available, on a visit paid to China in 1996 (including 8 wineries, 2 ministries, and an agricultural university with an oenology department), and on internet-information.

The author has a long-standing relation with China since 1977 and visited the country for a variety of reasons about 20 times. His knowledge, however, of the Chinese language is almost non-existent. Since 1977 he considered contributing to the 'building of bridges' between China and The Netherlands (university co-operation; friendship-city-relation Eindhoven-Nanjing; friendship-province-relation Noord-Brabant-Jiangsu, industrial contacts, people-to-people projects, etc.) as more important than trying to speak some Chinese. For this project, however, this illiteracy proved to be a real handicap. Yet it is his hope and expectation that the reader will find enough information, data, thought and analyses that are of genuine interest to her or him.

It is important to note, that **culture** serves as the starting point for this manuscript. The use of alcoholic drinks in its variety of applications is intimately related with the social, ethical, religious, economical, artistic and other aspects of life over all periods of time. It will be made clear that the Chinese connotation of *jiu* - '**wine**' is far more extensive than in the non-Chinese world; it implies beer, strong beer (sake), grape and other fruit juice, rice and other wheat 'wines', a large variety of distilled products, medicinal wines, etc.

After a **brief summary** of this broad spectrum of drinks, attention is focused on the true grape-wines, the climates of their regions, the soils and the grapes.

VIII

Next **over 30 wineries**, pure Chinese or operating as joint ventures, are mentioned with their characteristics as far as these could be collected and evaluated under the language limitations mentioned above.

For the further development of this grape-wine industry the **education and research** are of paramount importance, and hence they are discussed briefly.

The **prospects** of wine in China is the concluding topic of this manuscript. It explores the internal market, the potential of export (China -> World) and the chances of import (World -> China).

Due to the peculiarities of the Far-East, inherent to the people from the 'West', a number of **appendices** is added; hopefully they enhance the usefulness of the report to those who are genuinely interested to follow up some line of contacts and interaction. If that may be the case, then the time and the energy put into the study and compilation of this manuscript have not been wasted.

P. Ey

Notational conventions

For the transliteration of Chinese characters to the Western alphabet the *pin yin* system has been chosen. Now this is the standard one in the P.R. China. If the transcriptions with the older *Wade-Giles* system, still frequently used in (older) Western publications, are being given too then they are indicated with WG.

Types of references in the text:

(....), e.g: (Löwenstein, A., 1991)

refers, according to the Harvard system of citing to books and other written material, to a publication mentioned in the list 'Literature references'; cf. pag. 157.

[....], e.g: [*t'ao-t'ieh*, WG] or: *t'ao-t'ieh* [WG]

refers to the old Wade-Giles transliteration system for Chinese characters; cf. pag. ...

{....}, e.g: {URL } or {URL; date}

refers to an internet-site and, incidentally, also to the date of consultation.

Family names:

The Chinese are consistent in putting the family name first and then the given names. Sometimes in western texts they change to the reverse, western order. In order to avoid confusion as well as possible, in this book the Chinese family name will be set in CAPITALS and the Chinese order of names will be maintained.

Dates:

Generally speaking in this manuscript the recommendation of the ISO (International Standards Organization) is being followed by the descending order:

(year).(month).(day)

thus avoiding confusion with other systems, and particularly with the awkward American notational habit.

x

1. 'Wine' in Chinese literature and in other parts of Chinese culture

1.1 Wine in China

"Although wine drinking is a common cultural heritage enjoyed by various peoples world-wide, the wine drinking culture of each people is different. The origins of fermenting and drinking wine in China go far back in time. The Chinese either used wine as a libation to their forefathers to express reverence, or enjoyed it by themselves while writing poetry or prose, or to toast their relatives and friends during a feast. Without a doubt, wine occupies an important place in the culture and life of the Chinese people. Wine was intimately connected with most Chinese men of letters. It was also an inseparable part of the life of ordinary Chinese people. It was a must for the banquets of ancient emperors and kings. Every sort of wine vessel thus became an important kind of sacrificial object. "

{<http://www.gio.gov.tw/info/culture/cultur29.html>}

China has an uninterrupted cultural development for over 5,000 years. Just like in other cultures, also in the Chinese one it is not possible to trace the earliest discovery and the regular use of alcohol. In written sources it is mentioned *"that about 5000 years ago the history of Chinese alcoholic liquor began, when people began to make wine. The Chinese people have long had the habit of drinking. "*

And here already we are meeting with our first problem: the confusing terminology. In the Chinese language the general term for alcohol is **jiu** , but a clear distinction between the generic term (**jiu**), grape wine (**putao jiu**), beer (**pi jiu**), distilled grain spirit (**bai jiu**) and rice wine (**huang jiu**) is not strictly adhered to. Such terms were and are being used interchangeably. For that reason, for lack of more detailed information and for the sake of convenience, in this text we will use the word 'wine' as a generic term for drinks containing alcohol.¹

All through Chinese history there are references to wine. Some early examples are:

The story of "Tu Kang Makes Wine", for example, is probably not credible in a historical sense. Although folk legend regards Tu Kang as the man to first make wine, as the God of Wine, such legends nevertheless possess a folkloric significance and should not be ignored.

Shang dynasty (ca. 16th - ca. 11th century BC)

As early as in the Shang dynasty the use of grain to make wine had become widespread. Inscriptions on bones and tortoise shells as well as bronze inscriptions preserve many records of Shang-era people worshipping their ancestors with wine, and of fact that wine drinking was very popular at the time.

{<http://www.lib.uconn.edu/~csa/culture/wine.html>; 2000.08}

¹ In many other cultures the use of the word 'wine' is restricted to alcoholic beverages, strictly made from *vitis vinifera* grapes, although misnomers like 'apple wine' can still be found.

For example, a Shang-era winery site was discovered among recent archaeological unearthings. In 1980 Chinese archaeologists excavated a tomb in the Luoshan region, Henan Province. This tomb was dated about 1,200 BC. There they found a bronze, gourd-shaped jar filled with 'wine', a fermented juice. Probably this is the oldest wine in existence. The jar was buried in a layer of clay and it was very well sealed. Because of the lack of modern equipment, it was not until 5 years later that through two small holes in the bottom some wine was drawn off. The percentage of alcohol left was only low.²

Spring and Autumn period (770 - 476 BC)

The king of the state Yue poured (shaoxing) wine in the river, and after the warriors drank the water their attitude was very much improved.

King Zhou had "a pond of wine and forest of meat" and he enjoyed drinking all night. The common people had their dinner with wine on holidays and festivals; they also entertained guests with wine."

1.2 Wine in literature (poetry)

There are many Chinese historical accounts of literati, poets, and knights of the various dynasties who were hearty drinkers -- one of the connections between wine and Chinese culture worthy of note. We may also infer an intimate connection between the academic thinking and social practices of the time. Although this relationship between Chinese intellectuals and wine did not originate in the Wei and Chin dynasties, we can not ignore the fact that wine occupied a prominent place in, or even; accounted for almost all of, the lives of the Seven Sages of the Bamboo Grove, a group of well-known literati of the Chin dynasty.

There are many amusing anecdotes from Chinese wine-drinking culture. For example, the Chinese of ancient times were very particular about first having a zest for wine while drinking before one could drink to the full. Tao Yuan-ming, the prominent Chin-era poet, had the greatest zest for wine. He could drink alone, brew his own wine, and partake of the leisurely enjoyment of meticulous wine tasting. His zest for wine was quite different from that of most Wei or Chin literati who enjoyed "doing nothing and drinking to their hearts' content." He successfully combined wine with literary creation, thus "his poems are imbued with wine, and there was poetry from his wine."

In addition to a zest for wine, drinkers had to have stamina in order to drink to the full. Even if they had the requisite stamina, they had to be able to hold their liquor: Examples of celebrated literati of the Han and Wei dynasties who could drink five tou, or one tan at a time are too numerous to be mentioned. During a feast, playing finger-guessing games with excited shouts -- much like battle cries -- was called a wine battle. The opposing guests, competing like two armies facing each other on the battlefield, played finger-guessing and other drinking games, such as thinking up new songs at the table, composing impromptu poems, singing in unison, dancing, and the like. All of these became amusements that added excitement to banquets.

²'The oldest wine in the world ?' (in Dutch). Newspaper notes in 'De Telegraaf' and in 'Economisch Dagblad', 1987.03.10.

From wine making techniques we can glimpse a bit of the wisdom of ancient Chinese; from the relationship between wine and literati or knights, as well as various writings relating to wine, we can spot a trace of the accomplishments of intellectuals in ancient times; from policy measures prohibiting wine making and measures levying wine taxes, we can ferret certain links between wine and national taxes; and from such concepts as the virtues of wine drinking and such customs as playing various games during wine drinking, we can ascertain the cultural concepts and ideology Chinese people.

{<http://www.gio.gov.tw/info/culture/cultur29.html>}

For illustrating the interaction of wine and poetry, the cultural apex of the Tang dynasty (618-907) and the Song dynasty (960-1279) are the era's to refer to. This holds particularly for the great poets:

Wang Wei (701-761 or 698-759)
 Li Bai (701-762)
 Du Fu (712-770)
 Bai Juyi (772-846)
 Liu Zongyuan (773-819)
 Li He (790-816)
 Sikong Tu (837-908)

 Tang

Ouyang Xiu (1007-1072)
 Su Shi (1037-1101)
 Lu You (1125-1210)
 Xin Qiji (1140-1207)

 Song

From the examples given in this and the next Section the various uses of wine will be clear, i.e: - inspiration while writing poetry and prose, - toast to relatives and friends at a feast or a departure, libations to forefathers.

{www.houstoncul.org/culdir/wine/wine.htm}

In the following a free use has been made of the book: Poetry and Prose of the Tang and Song, Translated by YANG Xianyi and Gladys YANG. Panda Books, Beijing 1984. Other sources of interest include: (Waley, A. 1951; Hung, W. 1952/1969; Davis, A.R. 1971; Liu, J.T.C. 1967/1963; Chang, C. 1957; Ch'en, S. 1961; Giles, H. 1923; Seth, V.)



Fig. 2 Li Bai



Fig. 3 Du Fu



Fig. 4 Bai Juyi



Fig. 5 Su Shi

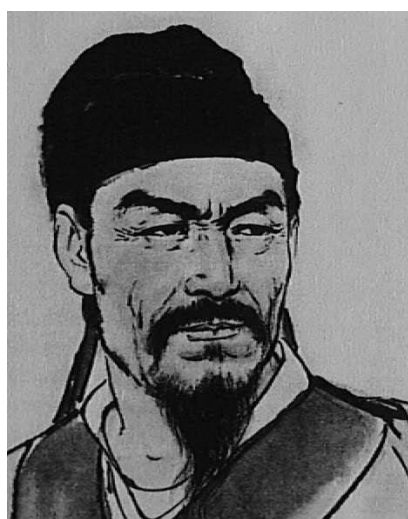


Fig. 6 Xin Qiji

Wang Wei (701-761 or 698-759) was from Qi xian County in Shanxi. He embarked upon an official career at an early age and in his later years retired to his country home in Lantian County, south-east of present-day Xi'an. He was a great painter and an accomplished musician. For many Wang represents the classical ideal of the cultured scholar-official. The majority of his poems are about nature and are written in a restrained, exquisite and deeply symbolic style.

Seeing Yuan the Second Off on a Mission to Anxi

*A morning shower in Weicheng has settled the light dust;
The willows by the hostel are fresh and green;
Come, drink one more cup of wine,
West of the pass you will meet no more old friends.*

On Parting with Spring

*Day after day we can't help growing older.
Year after year spring can't help seeming younger.
Come let's enjoy our winecup today,
Not pity the flowers fallen!*

Li Bai (701-762) is one of the greatest names in Chinese literature. He is believed to have been born in central Asia and there is ample evidence to indicate that he moved with his family to Sichuan when he was five. At the age of 25 he began travelling in the hope of meeting people of influence who would help him to realize his political ambitions and ideals. In 742 he was summoned to the Tang capital. In 755, Li joined the loyalist forces led by Prince Yong in an attempt to resist the An Lushan rebels. When the Prince was defeated, Li Bai was banished to Guizhou. He regained his freedom when an amnesty was declared. He used the conventional verse forms of the day and his poetry, which frequently contains a strong element of fantasy and the supernatural, is known for its lyrical, innovative imagery and great beauty of language.

Reflections on the Moon While Drinking

*When did the moon first appear in the sky
I stop drinking to pose this question.
The moon is beyond the reach of man
Yet it follows wherever you go.
Like a bright mirror high above crimson palaces
The green mist disperses revealing its splendour.
At night we see it rising above the ocean;
At dawn we know not where it goes among the clouds.
Year after year the white hare pounds medicine.³
Who is there to keep the lonely Chang E company?
People today cannot see the moon of ages past;
Yet the moon today has shone on our ancestors.
People pass away like a flowing stream;*

³ According to Chinese legend, a white hare prepares medicine with a mortar and pestle on the moon. The goddess of the moon, Chang E, has fled there after stealing some elixir of life from her husband.

*Yet all have seen the moon like this.
My only wish singing and drinking wine
Is to see the moonlight in my golden goblet.*

Drinking Alone by Moonlight

*Among the flowers a pot of wine,
I drink alone; no friend is by.
I raise my cup, invite the moon,
And my shadow; now we are three.
But the moon knows nothing of drinking,
And my shadow only apes my doings;
Yet moon and shadow shall be my company.
Spring is the time to have fun.
I sing, the moon lingers,
I dance, my shadow tangles,
While I'm still sober, we are gay together,
When I get drunk, we go our different ways.
We pledge a friendship no mortals know,
And swear to meet on heaven's Silver River.⁴*

The Hard Road

*Pure wine costs, for the golden cup, ten thousand coppers a flagon,
And a jade plate of dainty food calls for million coins.
I fling aside my chop-sticks and cup, I cannot eat nor drink...
I pull out my dagger, I peer four ways in vain.
I would cross the Yellow River, but ice chokes the ferry;
I would climb the Tai-hang Mountains, but the sky is blind with snow..
I would sit and poise a fishing-pole, lazy by a brook --
But I suddenly dream of riding a boat, sailing for the sun...
Journeying is hard,
Journeying is hard.
There are many turnings --
Which am I to follow?...
I will mount a long wind some day and break the heavy waves
And set my cloudy sail straight and bridge the deep, deep sea.*

Parting at a Wine-shop in Nan-king

*A wind, bringing willow-cotton, sweetens the shop,
And a girl from Wu, pouring wine, urges me to share it.
With my comrades of the city who are here to see me off;
And as each of them drains his cup, I say to him in parting,*

⁴ The celestial Milky Way

*Oh, go and ask this river running to the east
If it can travel farther than a friend's love!*

Bringing in the Wine

*See how the Yellow River's water move out of heaven.
Entering the ocean, never to return.
See how lovely locks in bright mirrors in high chambers,
Though silken-black at morning, have changed by night to snow.
... Oh, let a man of spirit venture where he pleases
And never tip his golden cup empty toward the moon!
Since heaven gave the talent, let it be employed!
Spin a thousand of pieces of silver, all of them come back!
Cook a sheep, kill a cow, whet the appetite,
And make me, of three hundred bowls, one long drink!
... To the old master, Tsen,
And the young scholar, Tan-chiu,
Bring in the wine!
Let your cups never rest!
Let me sing you a song!
Let your ears attend!
What are bell and drum, rare dishes and treasure?
Let me be forever drunk and never come to reason!
Sober men of olden days and sages are forgotten,
And only the great drinkers are famous for all time.
... Prince Chen paid at a banquet in the Palace of Perfection
Ten thousand coins for a cask of wine, with many a laugh and quip.
Why say, my host, that your money is gone?
Go and buy wine and we'll drink it together!
My flower-dappled horse,
My furs worth a thousand,
Hand them to the boy to exchange for good wine,
And we'll drown away the woes of ten thousand generation!*

*If life smiles at you,
Enjoy it completely,
Never let the golden cup
Wait in vain in the moonlight.*

*With cups of jade the delicious wine of grapes glow,
We sit to drink when repeated urges from the pipa
summon us to leave.*

Du Fu (712-770) was born in Gongxian County, Henan and spent the greater part of his boyhood in Luoyang. In 746 he went to Chang'an, the Tang capital, in an unsuccessful attempt to secure an official post. He fled the capital when the An Lushan rebellion broke out in 755, but was captured by the rebels. He escaped in 757 and offered his services to the new emperor. In 759 he resigned and went to Chengdu in Sichuan. He died in 770.

A committed Confucian, Du Fu frequently used his poetry to expose social injustice and voice the suffering of the people. His poems include themes which hitherto would have been considered too mundane. He welcomed the newer verse forms in particular *lù shi* or eight-line regulated verse, to which he brought his acute powers of observation and great technical skill.

Presented to Hermit Wei (only partly cited)

.....
*When last we parted you were not yet married;
 Suddenly, your children stand in a row before me!
 Happy to welcome their father's friend
 They ask me from where I come,
 And before all their questions are answered
 Have brought in wine;
 Spring leeks are cut in the night rain,
 The freshly steamed rice has a sprinkling of yellow millet;
 To mark this unlooked-for encounter, my host says,
 We must drain ten large cups of wine;
 But today even ten cannot go to my head,
 So touched by your unchanging friendship am I.
 Tomorrow mountains will separate us again,
 Neither knowing what the future holds.*

Bai Juyi (772-846), from Taiyuan in Shanxi was one of the most influential poets of the mid-Tang. He placed great emphasis on the use of clear and intelligible language and he writes in a plain, accessible style. During his successful career as an administrator and adviser to the court, he presented many memorials proposing social reforms. He also emphasized the didactic function of literature and wrote numerous political satires as well as narrative poems exposing injustice. As with Du Fu, he was a vocal defender of Confucianism and critic of imperial ostentation and excess.

Song and Dance

*The year draws to its close in the land of Qin⁵
 A great snow fills the imperial capital;
 And in the snow, leaving court,
 Are noble lords in purple and vermilion.
 The noble can enjoy the wind and snow,
 The wealthy have no fear of cold and hunger;
 All their care is to build great mansions,
 All their task the pursuit of pleasure.
 Horses and carriages throng the vermilion entrance,
 Song and dance last on by red candle-light in the pavilion*

⁵ Present-day Shaanxi, where Chang'an, the Tang capital, was situated.

*In high delight the guests sit close together,
Heated with wine they throw off their thick furs.
The host is head of the Board of Punishments,
The guest of honour is the Lord High Justice.
At midday the music and drinking start
And midnight sees no end to the merriment.
What do they care that in Wenxiang Gaol
Prisoners are freezing to death?*

*For me, one hundred affairs are finished;
There only remains wine and poetry.
What is the wealth of a gray-haired person?
His wine-storage full of wine.
For the time being I have enough wine, my heart is light,
I am satisfied and happy.*

Li He (790-816) was born to a family of declining fortunes, distantly related to the royal house. During his short lifetime he produced a body of poetry which, in its haunting and morbid imagery, has provoked frequent comparisons with Baudelaire and the French Symbolists. His work was sufficiently unorthodox to have been excluded from the majority of Tang anthologies. Li exhibited a fondness for unusual diction and rhyme schemes and his eerie and dramatic images were often drawn from folk religion and mythology. His work has had a considerable influence on later poets.

A Drinking Song

*Rich amber brims the crystal cup,
Red pearls drip from the little wine-press,
The jade fat of roasted dragon and phoenix sizzles
And silken tapestries hold wafted fragrance
Blow the dragon flute, sound the crocodile drum!
Ah, singers with the dazzling teeth
Slender dancing girls!
Now our time is running out, spring slipping past,
The peach blossom whirling down in a crimson rain,
I urge you to drink and be merry the whole day long,
For no wine will moisten the earth on a drunkard's tomb!*

Sikong Tu (837-908), a native of Yongji County, Shanxi, was a celebrated poet and critic who passed the imperial examinations at the age of thirty-three and subsequently held several minor official posts. When the peasant insurgents led by Huang Chao stormed the Tang capital he fled, but later returned to rejoin the government. He retired to a life of seclusion at the age of 55. When the Tang Dynasty was overthrown, he refused a summon to serve the new regime and starved himself to death. Brought up a Confucian, Sikong Tu later turned to Taoism and Buddhism and wrote poetry expressing his enjoyment of the natural world. His 'The Twenty-four Modes of Poetry', an analysis of poetic moods and styles, exercised a considerable influence on literary criticism in China.

The Light-Hearted Mode

*A man may live a hundred years,
And yet how short a span,
When joys are all so brief*

*The hundred-acre lake like molten silver,
 The moon hanging like a mirror in the sky !
 At the third watch the music ended,
 Men's shadows scattered through the deep green trees,
 And back to the North Hall I went
 As cold light flickered on the dewy leaves;
 I called for wine, drank with my wife.
 Thinking how I would recount this to my son,
 Little knowing that, old and ailing,
 I should have no wine, nothing but pears and chestnuts.
 East of the old river I can see
 The flowering buckwheat make a carpet of snow;
 But when I try to cap your last year's song,
 My heart is close to breaking.*

.....

Lu You (1125-1210), from Shaoxing in Zhejiang, was born when the Nüzhen Tartars had overrun much of North China. He held a succession of minor official posts but was unable to effect any of the political reforms he advocated. In 1172 he began to serve in the army on the Sichuan-Shaanxi border. It is known that sometime later he was dismissed from a post in Jiangxi for distributing government grain to relieve famine. Lu You was a prolific poet and more than nine thousand of his poems have survived. His work is noted for its ardent patriotism.

A Snowstorm on the Way to Yiyang

*Dusk fell on the river shore but I rode on
 Till a great snow filled the air, blotting all from view;
 A brave sight, white bucklers descending from the sky
 Drawing up on earth in splendid battle array.
 In my youth I loved life in the army,
 Chafing at the restrictions of an official post;
 How often I gazed from my saddle with wistful eyes,
 Eager to sweep clear the Central Plain for my lord.
 That night the hiss of snow on my papered windows
 Fell on my ears like the clash of iron-clad horses.
 I rose, poured wine and sang a marching song
 To still the tumult of the host in my breast.*

Calligraphy

*All my money has gone on three thousand gallons of wine,
 Yet they cannot overcome my infinite sadness;
 As I drink today my eyes flash fire,
 I seize my brush and look round, the whole world shrinks,
 And in a flash, unwitting, I start to write.
 A storm rages in my breast, heaven lends me strength,
 As when dragons war in the waste, murky, rcking of blood,
 Or demons topple down crags and the moon turns dark,*

*In this moment all sadness is driven from my heart,
I pound the couch with a cry and my cap falls off.
The fine paper of Suzhou and Chengdu will not serve,
Instead I write on the thirty-foot wall of my room.*

Written for Fuxi

*In my cups I want nothing but fun and jollity,
What time have I for care?
Of late I begin to see the futility
Of trusting in those books by the men of old.*

*Last night by the pine I staggered tipsily
And I asked the pine, "How drunk am I?"
When I imagined the pine sidling over to support me,
I pushed it off saying, "Away!"*

1.3 Wine in literature (prose)



Fig. 7 Confucius

Confucius, ANALECTS, 500 BC

Tsze-hsia asked what filial piety was. The Master said, "The difficulty is with the countenance. If, when their elders have any troublesome affairs, the young take the toil of them, and if, when the young have wine and food, they set them before their elders, is THIS to be considered filial piety?"

The Master said, "Abroad, to serve the high ministers and nobles; at home, to serve one's father and elder brothers; in all duties to the dead, not to dare not to exert one's self; and not to be overcome of wine: - which one of these things do I attain to?"

Though there might be a large quantity of meat, he would not allow what he took to exceed the due proportion for the rice. It was only in wine that he laid down no limit for himself, but he did not allow himself to be confused by it. He did not partake of wine and dried meat bought in the market.

Sayings of Chuang Tze

A drunken man who falls out of a cart, though he may suffer, does not die. His bones are the same as other people's, but he meets his accident in a different way. His spirit is in a condition of security. He is not conscious of riding in the cart; neither is he conscious of falling out of it. Ideas of life, death, fear, etc., cannot penetrate his breast; and so he does not fear from contact with objective existences. And if such security is to be got from wine, how much more is it to got from God? It is in God that the Sage seeks his refuge, and so he is free from harm.

Story of the Three Kingdoms, Chapter 4

Changing the Emperor, Chenliu King Got the Crown Attempting at Dong Zhuo, Cao Cao Lost the Knife

Dong Zhuo had people spying on them. That day they obtained this poem, and showed it to Dong Zhuo. Dong Zhuo said, "Writing a poem in resentment is a good reason for death." He ordered Li Ru to bring ten guards to kill the Emperor. The Emperor, his wife and Empress He were all on the second floor. The maid reported that Li Ru came. They were all scared. Li Ru came in and gave a cup of poison wine to the Emperor. The Emperor asked, "What is the occasion for the wine?" Li Ru said, "It is spring and the Prime Minister gave the wine as a good will." The Empress said, "In that case, you can drink it first." Li Ru ordered the guards to put forward a dagger and a rope. He said, "You can take these two as substitutes." Tang said, "I'd like to drink the wine for my husband. Please spare him." Li Ru said, "Who do you think you are? How can you substitute for a King?"

The three of them knew it was the end. They hugged each other, and cried. Empress He cursed He Jin, blamed him for the decision to bring Dong Zhuo into the Capital. Li Ru said, "The Prime Minister is waiting for me. Don't waste my time. Are you waiting for someone to rescue you?"

Empress said to him, "You help Dong Zhuo in his evil deeds. You kill us now, one day you will get your due." Li Ru dragged her and threw her down the building. The guards forced poison wine down the Emperor's throat, and then they strangled his wife. The bodies were buried outside the city.

That evening the ministers all came to his place. After the dinner, Wang Yun suddenly cried. Others asked why he was crying. Wang Yun said, "Today is not really my birthday. I wanted to talk to you about something. Birthday was only an excuse to avoid Dong Zhuo's suspicion. The Han Dynasty lasted till today, but now it will end in the

hands of Dong Zhuo. That's why I'm crying." The rest all cried with him. One man bursted into laughter, "Dear ministers, you can all cry to sunrise, then cry to sunset, do you think you will cry Dong Zhuo to death?" Wang Yun looked at him, it was Cao Cao. Wang Yun said, "Why? You don't want to serve the country? What's so funny?" Cao Cao said, "I'm just laughing that you can't think of a way to kill Dong Zhuo. Although I'm not smart, I'll kill him and hang his head at the gate of the Capital." Wang Yun stood up and asked, "What plan do you have?" Cao Cao said, "I have been very obedient to Dong Zhuo. Now I have gained his trust, so I can get close to him. I'd like to borrow the antique knife from you and use it to kill Dong Zhuo." Wang Yun poured some wine into Cao Cao's glass, and said, "If you can do it, the country will be saved." He took the knife and gave it to Cao Cao.

The Legend of the White Snake

At the time of the Dragon Boat Festival, it was the custom for every household to fasten plants such as calamus and Chinese mugwort on the ground to drive away spirits. These were of course dangerous to Lady White and Xiaoqing, since there were spirits after all. Lady White was by now pregnant so she had even more reason for staying at home. Xu Xian decided to spend the day at home with his wife. He prepared a pot of old wine with realgar, for realgar not only drove away evil spirits but was also considered beneficial to pregnant women. Under her husband's coaxing, Lady White could not find a reason to refuse the drink and she took a sip, thinking that her superior magic skills would make her immune to the power of realgar. But she immediately was stricken ill and barely managed to get to bed. Xu Xian rushed to the bed and drew aside its curtain. Lady White was no longer there. In her place was a large white snake coiled on the bed. So great was Xu Xian's shock that he fell to the floor and died. When the power of realgar's power faded, Lady White resumed her human form. She was heartbroken to find Xu Xian lying dead beside the bed. But she knew that the glossy ganoderma, a celestial herb on the Kunlun Mountain, could restore him to life. She flew to the Kunlun Mountain to steal the celestial herb but encountered the white crane and heavenly guards responsible for looking after the glossy ganoderma. They fought to prevent her from taking the herb and Lady White was losing the battle, when suddenly a voice commanded them to stop. It was the voice of the Immortal of the Southern End. Lady White begged him in tears to help her. Impressed by her sincerity and perseverance, he granted her the glossy ganoderma. Lady White ground the herb and fed it to Xu Xian who soon came back to life. But he was still frightened at the memory of the snake that had appeared in his wife's place. Lady White made up a story to set his mind at rest. The snake he saw, she told him, was in fact a dragon descending from heaven. The sight was a good omen. She regretted that she was unconscious at that time, otherwise, she would have burnt some incense to the dragon. Xiaoqing added she also had seen something white resembling either a snake or a dragon and that it flew from the bed to the window and disappeared. Xu Xian's suspicions were allayed by this colorful story.

Liu Zongyuan (773-819), from Yuncheng County in Shanxi, is considered one of the great prose stylists of the Tang. His scholarship and literary talent earned him a reputation early in his career and he held many official posts. His membership of a political group which attempted to persuade the emperor to introduce certain reforms led to exile in Yongzhou, Hunan, more than three thousand li from the capital. He was subsequently banished to the even more remote province of Guizhou where he died. He produced his finest writing after his demotion at the age of thirty-two. Liu Zongyuan was an advocate of the movement led by Han Yu to reform the mannered and affected prose style then prevalent.

A Drinking Game

After buying my hillock I spent the first day weeding it and the second cleaning it up, then gave a drinking party on the rocks by the stream.

These rocks, as I have set down elsewhere, look like cattle being watered. Sitting apart on them, we first filled our cups and set them afloat for others to take up and drink. Then we made this rule: when it was someone's turn to drink, he must throw three bamboo slips about ten inches long upstream; if the slips were neither caught up by an eddy, blocked by a boulder nor sunk, he need not drink. But each time one of these things happened, he must drain a cup.

So we started throwing the slips. They whirled around, dancing and leaping in the current, now quick, now slow, some skimming along, some stopping. And we all leaned forward to watch, clapping and cheering them on. Suddenly one would fly past in safety; thus some drank one cup only, others two.

Among the guests was a man called Lou Tunan. His first slip was caught in an eddy, his second was blocked and his third sank; so he was the only one to drain all three cups. We roared with laughter and were very merry.

I have dyspepsia and cannot drink, but that day I was drunk. Then we modified the rules, and went on till night without thinking of going home. I have heard that when the ancients drank wine, some bowed and deferred to each other punctiliously; some shouted and danced in complete abandon; some stripped off their clothes to show unconventionality; some made music for the sake of harmony; some drank fast in large groups in order to be convivial.

Our drinking, though, is different. It is decorous without formality, unconstrained without noise, informal without nakedness, harmonious without music, convivial without a crowd. Simple yet sociable, free and easy yet polite, leisurely yet dignified, it is an excellent accompaniment for the enjoyment of nature and fit relaxation for gentlemen. So I record this for those who come after us.

My First Visit to the Western Hill

After I was degraded I lived a most uneasy life in this district. I filled in my time with long walks and aimless rambles, climbed hills every day with my men, or explored deep woods and winding streams, visiting hidden springs and curious rocks no matter how distant. Once there, we would sit on the grass and pour out wine, to fall asleep when drunk resting our heads on each other while my dreams followed my roving fancy. Then, upon waking, we would rise and walk back. I thought at that time I knew all the strange sights in this district, but I had no conception of the wonders of the Western Hill.

On the twenty-eighth of the ninth month this year, as I was sitting in the west pavilion of Fahua Monastery and looking towards the Western Hill, I began to be struck by its singularity. I ordered my servants to ferry me across the River Xiang; then we followed the Ran to its source, cutting down the brambles and burning the rushes on our way till we reached the summit of the hill.

After struggling to the top we squatted down to rest. The fields of several districts lay spread below my seat. There were undulating slopes with gaps and hollows, as well as mounds and burrows. A thousand li appeared like one foot or one inch, so compact that nothing escaped our sight. Encompassed by white clouds and azure sky, the hill merged with them into one single whole.

Then I realized that this was no common hill. I felt I was mingling freely with the boundless expanse of heaven, and lost myself in the infinity of nature. In utter content I filled my cup and got drunk, unaware that the sun had set. Dark night came from afar and soon nothing could be seen, yet still I was loath to leave; for my heart seemed to have ceased beating and I felt released from my body to blend with the myriad forms of created things. I knew then that I had never enjoyed an excursion before - this was my first such experience.

So I am writing this record in the fourth year of Yuan He. (A.D. 809)

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| Ouyang Xiu (1007-1072). For a short biography cf. Section 1.2. |
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The Roadside Hut of the Old Drunkard

The district of Chu is enclosed all around by hills, of which those in the southwest boast the most lovely forests and dales. In the distance, densely wooded and possessed of a rugged beauty, is Mount Langya. When you penetrate a mile or two into this mountain you begin to hear the gurgling of a stream, and presently the stream - the Brewer's Spring - comes into sight cascading between two peaks. Rounding a bend you see a hut with a spreading roof hard by the stream, and this is the Roadside Hut of the Old Drunkard. This hut was built by the monk Zhi Xian. It was given its name by the governor, referring to himself. The governor, coming here with his friends, often gets tipsy after a little drinking; and since he is the most advanced in years, he calls himself the Old Drunkard. He delights less in drinking than in the hills and streams, taking pleasure in them and expressing the feeling in his heart through drinking. Now at dawn and dusk in this mountain come the changes between light and darkness: when the sun emerges, the misty woods become clear; when the clouds hang low, the grottoes are wrapped in gloom.

Then in the course of the four seasons you find wild flowers burgeoning and blooming with a secret fragrance, the stately trees put on their mantle of leaves and give a goodly shade, until wind and frost touch all with austerity, the water sinks low and the rocks at the bottom of the stream emerge. A man going there in the morning and returning in the evening during the changing pageant of the seasons, can derive endless pleasure from the place. And the local people may be seen making their way there and back in an endless stream, the old and infirm as well as infants in arms, men carrying burdens who sing as they go, passers-by stopping to rest beneath the trees, those in front calling out and those behind answering. There the governor gives a feast with a variety of dishes before him, mostly wild vegetables and other mountain produce. The fish are freshly caught from the stream, and since the stream is deep the fish are fat; the wine is brewed

with spring water, and since the spring is sweet the wine is superb. There they feast and drink merrily with no accompaniment of strings or flutes; when someone wins a game of cottabus or chess, when they mark up their scores in drinking games together, or raise a cheerful din sitting or standing, it can be seen that the guests are enjoying themselves. The elderly man with white hair in the middle, who sits utterly relaxed and at his ease, is the governor, already half drunk. Then the sun sinks towards the hills, men's shadows begin to flit about and scatter; and now the governor leaves, followed by his guests. In the shades of the woods birds chirp above and below, showing that the men have gone and the birds are at peace. But although the birds enjoy the hills and forests, they cannot understand men's pleasure in them; and although men enjoy accompanying the governor there, they cannot understand his pleasure either. The governor is able to share his enjoyment with others when he is in his cups, and sober again can write an essay about it. Who is this governor? Ouyang Xiu of Luling.

Tu Kang - God of Wine
 Tu Fu (Tang dyn.) - wine immortals
 Seven Sages of the Bamboo Grove (Chin dyn.)

1.4 Wine vessels ⁶



Fig. 8 Bronze vessels

During the Shang (18th-12th century / 16-11 c. BC) and Zhou (1111-255 BC) periods several types of bronze vessels were manufactured. Over a long time those vessels were decorated with a special icon: *taotie* [t'ao-t'ieh; WG], an awesome monster mask

⁶ This Section is based on articles in E.B. (Encyclopaedia Britannica), CD 1998

commonly found on Chinese ritual bronze vessels and implements. It characteristically consists of a zoomorphic mask in full face that simultaneously may be divided through the nose ridge of the centre to form profile views of two one-legged beasts (*k'uei* [WG] dragons) confronting each other. A ground pattern of squared spirals, the "thunder pattern" (*lei-wen* [WG]), often serves as a design filler between and around the larger features of the design. Typical features of the mask include large, protuberant eyes; stylized depictions of eyebrows, horns, nose crest, ears, and two peripheral legs; and a line of a curled upper lip with exposed fangs and no lower jaw.

Since it suggests an ever-devouring "glutton," it was probably this last feature that later (3rd century BC) inspired the name *taotie* for the ancient monster motif. The function of the *taotie* motif has been variously interpreted; it may be totemic, or protective, or an abstracted, symbolic representation of the forces of nature. After the early Zhou period, the *taotie* mask motif was supplanted by a monster that was similar but depicted more literally and with diminished power.

The different shapes of these vessels include the following:

18th-12th century BC -

Gu [*ku*, WG] is a tall wine beaker with a trumpet-shaped top, a restricted centre section, and a slightly flared base--the whole silhouette being unusually taut and graceful. Decoration, which appears on the three sections of the vessel, includes snakes; cicadas; the *taotie*, or monster mask; and the *k'uei*, or dragon-like monster with curled tail and gaping jaw.

18th century - c. 900 BC -

Guang [*kuang*, WG] is a serving vessel for wine, with an unusually fine harmony between shape and decoration. The *guang* looks much like a sauce server, with a large spout extending from one end of the oval-section body and a vertical handle at the other end. All vessels classified as *gang* properly have a lid that covers the entire top of the vessel, including the spout. The spout end of the lid typically has a bovine or feline head, the opposite end, an owl or birdlike mask. These elements harmonize with the decoration of the body, which may suggest the organic completion of the animals or provide complementary, zoomorphic motifs--such as the monster mask, or *taotie*-characteristic.

Jia [*chia*; WG]; it is a deep, cup-shaped vessel supported on three or four pointed, splayed legs. There is a vertical handle on the body and two small, capped, pillarlike additions on opposite sides of the circular rim. The function of the latter is uncertain, though possibly they served to suspend the vessel over a fire to heat the wine inside. The decoration is often simple, consisting usually of a *taotie* on either side of the body. There may be a pottery predecessor in the Neolithic Period (c. 3000-1500 BC), shaped much like a *li-ting* (see *ting*), but the *jia* is generally unique to the bronze art.

Jue [*chüeh*, WG] is a small pitcherlike container for wine with an especially elegant and dynamic shape. The *jue* is much like the *jia* except for the rim, which has been drawn into a large, projecting, U-shaped spout (with capped pillars at the base) on one side and a pointed tail, or handle, flaring out from the opposite side.

A *taotie* is commonly found on either side of the body, much like the *jia*. There may be certain crude prototypes for the *jue* in Neolithic (c. 3000-1500 BC) pottery, but generally it is found in developed form only in the bronze ritual vessels.

Zun [*tsun*, WG]: any of a wide range of Chinese "sacrificial vessel" types all of which have an ample interior volume probably meant for containing wine. There are two essential varieties of *zun*. One is shaped like a much enlarged *gu*--that is, tall and somewhat trumpet-shaped. The other variety consists of various animal shapes, often densely embellished with animal decoration.

You [*yu*, WG] is a container, probably meant to transport wine, resembling a bucket with a swing handle and a knobbed lid. The *you* consists of a base, usually oval in section, and a broad body, slightly swollen at the centre and tapering to a wide neck. The large loop handle swings from two prominent lugs (ear-shaped protuberances) on either side of the neck. Decoration includes a large *taotie* on the broad midsection, as well as other motifs characteristic of bronze ritual vessels.

18th century - 255 BC -

Hu [*hu*, WG]: A pear-shaped container for wine or water, the *hu* has a narrow neck blending gracefully into an expanded midsection that is sharply cut to a small ring base. The vessel can be suspended by means of lugs or rings attached to the body.

The *hu*, which may have had a pottery predecessor in the Neolithic Period (c.3000-1500 BC), is found in the bronze art of the Shang dynasty but is especially common in the late Zhou (c. 600-255 BC), when its ample surface was handsomely decorated. With the increasing popularity and prestige of bronze vessels, inexpensive pottery duplicates were often made of the *hu*, especially in the Han dynasty (206 BC-AD 220).

He [*ho*, WG], also spelled *huo*: A serving vessel for wine, it has a number of variations in silhouette, and its only unvarying characteristic is a tubular spout projecting prominently from the body. The *he* usually had a domical lid and a vertical handle on the side opposite the spout, and it stood on three or four legs that were well-articulated with the shape of the body.

The form of the *he* was derived from a Neolithic pottery predecessor. The decoration is often quite imaginative, especially in the early periods, and it both exploits and complements the shape of the *he*.

1.5 Wine in music, opera

The following opera story is taken from Huang Shang (1985) as one specific clear example of the topic we are exploring:

Yang Yuhuan was originally the consort of Prince Shou, a son of the Tang Emperor Minghuang. Emperor Minghuang discovered her beauty and first had her made a Taoist priestess and then afterwards took her into the palace to be the highest ranking imperial concubine, his favourite among 3,000. This opera recounts the story of how Yang waited in the One Hundred Flower Pavilion for the emperor to arrive in order to drink with him.

The Drunken Beauty

Next to the Pavilion of Deep Fragrance, Gao Lishi watched attentively as the court maids laid out the banquet table, set pots of flowers about and prepared the wine, fruit and candles. He rushed around giving orders and continually whisking the ivory-handled duster in his hand. Though it was only the beginning of summer, beads of sweat covered his forehead.

It was the heyday of the Great Tang Empire. The country was at peace; its coffers and granaries were full; its frontiers were secure. Minghuang, the reigning emperor, spent nearly all of his time indulging in wine and women. Within the palace, it was festival delicacies morning after morning, New Year dumplings night after night, brocade and flowers everywhere. It seemed that the palace could no longer contain so many worldly pleasures, which would soon spill over the high walls into the world beyond. But for some unknown reason, Gao Lishi's thoughts were a bit cloudy. He fancied hearing a rumble of thunder from the direction of Taiye Pool; was a storm brewing?

The emperor had not wined and dined with Lady Yang Yuhuan, his favourite, for nearly two weeks. Of course, the reason for this was well known, but no one would mention it. Today, when the imperial concubine gave orders to prepare wine, her voice and manner were somewhat strange. Why was the rendezvous not being held in the palace but in this out-of-the-way pavilion?

Gao Lishi did not like this place, for he had once made a fool of himself here; but he did not know that this was the very reason why Lady Yang had chosen the place. She hoped that the famous flowers and the pavilion and terrace would awaken the emperor's memories of the past—memories of good times spent together, the poem set to the song Qingping Melody that the great poet Li Bai wrote here, and the emperor's own words, "... enjoying the flowers face to face with my favourite ..." The little lady had taken great pains in the petty feud that was now going on; still, she could not be sure of the outcome.

Dressed in her finest gown and escorted by a precession of maids, the imperial concubine appeared on the scene sailing broadly; though nobody noticed the shadow that occasionally passed across her face. With an air of dignity, she looked at the flowers along the way; when passing over the Jade-and-Stone Bridge, she paused to observe the goldfish and the mandarin ducks as if all these things were very fresh and interesting. Slowly she approached the imperial table and sat down, at the same time casting a glance at the empty seat beside her and counselling herself to remain calm. The maids busied themselves with their tasks while Gao Lishi and Pei Lishi, eyes fixed upon the ground, stood in their places fixed by court etiquette. It was going to be a long, long wait for the arrival of His Majesty.

The day before, after court had adjourned, Lady Yang met the emperor in the palace and seized the opportunity to whisper to him her request for the banquet tonight in the Pavilion of Deep Fragrance. The emperor only smiled in silence. Of late, she had been much worried by this strange new expression on his face. She felt as if she had lost something and would never hold on to him again.

She knew the cause of this change and hoped that through her initiative she could rekindle in his bosom the passion that was dying away. It was a risky venture, the outcome of which depended on whether or not he would appear tonight.

The bitter news arrived. The emperor would not be coming; his imperial carriage was headed for the West Palace, the residence of Lady Mei. Lady Yang lost her last reserves of dignity. She gave orders that she would have a few drinks by herself. She sought revenge. No longer caring about restoring the "face" she had lost, what she

wanted was to lose even more. After all, the question of ace and dignity was not her business alone; why should she try to resolve it by herself?

Though one of the two seats of honour that stood side by side was empty, the eunuchs and maids served up course after course in the prescribed manner. There were famous drinks like the Dragon-Phoenix Wine, so named because the emperor and his favourite had enjoyed it together. Now she was to drink it alone.

It was to be an all-night banquet at which the wine was to flow until dawn. But where was her drinking partner? At first she affected coyness and would hold up her fan to conceal the cup each time she put it to her lips; soon, however, she threw the fan aside and drank in huge gulps like a man; eventually she went so far as to snatch the cup from Gao Lishi's hands and pour the contents down her throat. The excess drinking made her feel hot and dry, and she stood up to remove her phoenix robe.

She had only half risen when her legs weakened and she found she could hardly stand; but she held on to the table with one hand, smiled and shook her head at the maids who rushed up to help her. She was trying to cover up her incapacity for drink.

After removing her phoenix robe and putting on a court dress, Lady Yang turned to admire the flowers blooming in pots on the terrace. She wanted to smell the blossoms, but to do so she had to bend down. The eunuchs and maids watched with concern as she stooped, but no one dared to stop her or offer a hand. Seeing her with the bleary, half-closed eyes of one who had just walked out of a dream, they knew she was far gone. Yet when she turned around, she called for more wine.

Kneeling the eunuchs and maids offered her a small cup on a gold platter. She bent down and sipped it; then, holding the cup between her teeth, she threw back her head and drained it to the last drop. She was dead drunk now, and leaning in a stupor against the balustrade, was soon in the land of dreams.

It was only last spring, at this very same pavilion, that amid peals of laughter she listened to the new poem composed to the tune of the Qingping Melody, and enjoyed watching "Third Brother Li" getting drunk. Now this was all a dream. "Third Brother Li" was the emperor's pet name which she dared to use only when she loved or hated him intensely. She recalled how she first caught the emperor's fancy in the home of Prince Shou.

This was followed by unforgettable days of rejoicing. But today, for the first time, she realized how frail and insecure their love was; if the passionate love she had experienced could be passed on to another, what about the other favours that came along with it?

Time in dreams flies like an arrow: mountains can be crossed in one stride; and secular joys and sorrows, honour and dishonour, succeed each other in rapid sequence. Lady Yang felt as if she were riding an unbridled horse that was carrying her swiftly to the edge of a cliff: Just as she was about to call for help, she woke to find Gao Lishi and the others on their knees before her. Gently shaking her knees, they announced in a halting voice: "His Majesty is here!"

This was enough to dispel a good portion of her drunkenness and arouse her instantly. Hastily she clambered to her feet as the maids rushed up to help, fearing she would be unable to stand by herself. They escorted her to the flowered path and there, according to custom, prostrated themselves upon the ground. Lady Yang could not believe that what was happening was true; it had to be a dream! Burying her face in the long sleeves of her court dress, she crouched in shame and fear, not daring to lift her head and look at the emperor, who she imagined was standing before her.

Thus for quite some time she remained there on her hands and knees. Finally a loyal attendant plucked up the courage to tell her that this was only a trick thought up by Gao Lishi and the others to revive her from her drunkenness. She was stunned. The sorry lot of eunuchs and maids that could hardly be called human were upon their knees again begging her forgiveness, but she stared at them blankly, sensing a sudden unbearable fatigue. The wine took effect again and she was about to collapse. Supported by her maids, she tottered back to her chambers.

It was almost midnight. In the stillness of the inner palace, the drums, flutes, and singing in the west courtyard sounded loud and clear. It was not the familiar Rainbow and Feathery Garment Dance they were playing; it was a new poem set to an old tune. Lady Yang in her drunken state did not notice it; but it fell upon the ears of Gao Lishi, vexing him slightly.

1.6 Wine in medicine

The use of medicinal wines is very old in Chinese medicine and still is an essential ingredient. In the old, not-simplified Chinese character for 'medicine', *yi*, there is the bottle radical that we met already on pag. I of this manuscript. (Flaws, B., 1994). The development and application of *yao jiu*, medicinal wines, can easily be recognized as a field for a special study.

There are two types of manufacturing: - to ferment the medicinal ingredients, and: - to soak the medicinal ingredients in alcohol and then use distillation techniques.

1.7 Wine in rites; other cultural relations with wine

In China sacrifice, like other aspects of religion, has existed at a number of different levels. The essential feature of Imperial worship in ancient China was the elaborate sacrifices offered by the emperor himself to Heaven and Earth. Because the common people were excluded from participation in Imperial sacrifices, they had lesser gods -- some universal, some local -- to whom sacrifices were made. Furthermore, ancestor worship has been the most universal form of religion throughout China's long history; it was the responsibility of the head of the household to see to it that sacrificial offerings to the dead were renewed constantly. The blending of these elements with such established religions as Buddhism and Taoism influenced the great diversification of sacrificial rites in China.

Chinese alcoholic drinks were incorporated into such religious ceremonials, both as drinks and as libations, with festivals featuring divine states of drunkenness. In time, the sacred drink became secularized, even while its religious uses survived, and evoked public as well as private disorders. The history of China includes several abortive efforts at control or prohibition. (EC, '98)

2. Alcoholic beverages in China and their developments

2.1 Chinese inventions

For a clear exposure of two relevant, outstanding inventions by China on 'wine-making' we copy two sections from (Temple, R., 1986; pag. 77-78 and 101-103):

Strong beer (sake), 11 century BC

Many Westerners are familiar with Japanese sake, but few will know that it represents a type of alcoholic drink which has only ever been made in China and Japan (where it was introduced from China). Sake is neither a wine nor a spirit. Some *sake* made today has been strengthened with spirit, but sake itself is a type of alcohol known in China as *chiu*, of which a very rough translation is 'strong beer'.

Ordinary beer, with an alcohol content reaching perhaps 4 or 5 per cent, has been made throughout the world for thousands of years. It was known to the Egyptians and Babylonians, and mention of it as an offering to the spirits in sacrifices occurs in early bone inscriptions in China dated about 1500 BC. There were many different kinds of this ordinary beer, with varying ingredients, from assorted regions.

By 1000 BC at the latest, and perhaps centuries earlier, the fermentation process was well established in China for the making of *chiu*. It was at least three times as strong as ordinary beers. Whereas in the West no beverage attained an alcohol content of more than about 11 per cent (achieved by some wines) before distilled alcohol appeared, this 'strong beer' in China is thought to have had a substantially higher alcohol content. Poems surviving from 800 BC or earlier describe people getting tipsy on this heady brew.

The strong beer fermentation process involved an entirely new concept in fermentation of grain. The major problem with ordinary beer is that the starch in grain cannot be fermented. Thousands of years ago, it was found that sprouting grain contains a substance (the enzyme now known as amylase) which degrades the starch of grain into sugars which can then be fermented. This was the basis of ancient beer around the world; sprouting grain would be dried as malt, which would 'digest' the starch of the normal grain for beer.

Although the Chinese made this sort of beer like everyone else, they found that a far better technique was to make something called *qu* [chü; WG]. This consisted of ground, partially cooked wheat (or occasionally millet) grains which had been allowed to go moldy. These molds produce the starch-digestive enzyme amylase more efficiently than does prouting grain. *Qu* therefore was a mixture of molds plus yeast. The Chinese would mix it with cooked grain in water, which resulted in beer. The amylase broke the starch down into sugar and the yeast fermented this into alcohol.

It was also found that the alcohol content could be raised by continually adding more and more cooked grain in water to the brew as the fermentation proceeded. They call this 'killing' the grain. This 'topping-up' process eventually reached a peak above which it would not go, but it led to a very strong drink indeed. Apart from its spread to Japan centuries ago, 'strong beer' has never been adopted by other cultures, and indeed there

remains no direct translation of its name into any Western language. This is one Chinese invention which has yet to be appreciated by the world at large.

Brandy and Whisky 7th century AD

Readers will be doubly surprised to learn that the Chinese invented brandy, because though the fact in itself is impressive enough, it is not widely realized that the Chinese drank wine made from grapes at all, much less distilled it into brandy. Grape wine was being drunk by the second century BC at the latest in China, since we begin to have textual evidence of it by then. The envoy and traveller Chang Ch'ien brought good wine grapes (*Vitis vinifera*) back with him from Bactria about 126 BC. Before the importation of those grapes, however, there were wild vine species, or 'mountain grapes', which were already being used for wine, namely *Vitis thunbergii* and *Vitis filifolia*. Wine made from them is mentioned before Chang Ch'ien in the book called *Classical Pharmacopoeia of the Heavenly Husbandman*.

The fact that an even stronger drink could be obtained from wine first came to attention through the production of 'frozen-out wine' among the Central Asian tribes. No doubt because of the extremely cold conditions in which these people lived, it was often noticed that wine and other fermented beverages (such as fermented mare's milk) when frozen would have small amounts of unfrozen liquid in the middle. This was the alcohol, which had remained liquid while the water in the drink had frozen. It was presumably this to which Chang Hua was referring in 290 AD in his book *Records of the Investigation of Things*, when he said: 'The Western regions have a wine made from grapes which will keep good for years, as much as ten years, it is commonly said; and if one drinks of it, one will not get over one's drunkenness for days.'

The tribal peoples of Kao-Ch'ang (Turfan) presented 'frozen-out wine' as tribute to Chinese emperors more than once, commencing in 520 AD. The freezing-out technique for obtaining spirits 'eventually became a test applied to distilled spirits. Yeh Tzu-Ch'i tells us in his book of 1378, entitled *The Book of the Fading-like-Grass Master*, that people would test their spirits by leaving them outside in the winter to freeze. If they did not freeze, they knew the distilled spirits were pure and unadulterated, but if they partly froze, they knew they were watered-down or otherwise impure. 'Frozen-out wine' is not mentioned in Europe until Paracelsus, in the *Archidoxis*, written in 1527 but not published until 1570. Paracelsus's remarks caused something of a sensation among Europeans. So unfamiliar was the phenomenon he described that Francis Bacon in 1620 wrote, half-incredulous: 'Paracelsus reporteth, that if a glass of wine be set upon a terras [terrace] in bitter frost, it will leave some liquor unfrozen in the centre of the glass, which excelleth *spiritus vini* drawn by fire.' (For by then, distillation of alcohol was known.)

Distilled wine, or brandy, was known in China as 'burnt wine'. The English word 'brandy' itself comes from the Dutch *brandewijn* ('burnt wine'). And the German word for brandy or spirits is *Branntwein* ('burnt wine'), while a distiller is a *Branntweinbrenner* ('burnt wine burner'). It is possible that all of these words result from a direct translation of the Chinese *shao chiu* ('burnt wine') by Dutch sailors. If not, they are a curious coincidence indeed.

We have a description of the making of 'burnt-wine' brandy by the author Li Shih-Chen, in his book *The Great Pharmacopoeia*:

Strong wine is mixed with the fermentation residues and put inside a still. On heating, the vapour is made to rise, and a vessel is used to collect the condensing drops. All sorts of wine that have turned sour can be used for distilling. Nowadays in general glutinous rice or ordinary rice or glutinous millet or the other variety of glutinous millet or barley are first cooked by steaming, then mixed with ferment and allowed to brew in vats for seven days before being distilled. The product is as clear as water and its taste is extremely strong. This is distilled spirits (*chiu lu*).

Here we have a description not only of brandy, but of various kinds of whisky. This passage was published in 1596, but is merely one of the clearest passages describing distilled spirits which had been made in China from the seventh century AD. Many passages are rather obscure and coy because of the problems over the excise duty on spirits which was levied by the government. The Chinese were the world's first large-scale bootleggers. The Emperor Wang Mang (who reigned 9-23 AD) nationalized the fermentation and brewing industries. So strict were the taxes and the prohibitions against private manufacture of wine or spirits during the Northern Wei Dynasty (386-535 AD) that the penalty for private brewing was death. People had to evolve a series of 'cover-names' for brandy and whisky just as in modern times the terms 'hooch' 'white lightning', and 'moonshine' have developed. One type of drink was called 'the Sage', another was called 'the Worthy'. And in the eleventh century, if you wanted to offer your guests a drink of your own moonshine, you would say, 'Have a drop of "wisdom soup"'.

The distillation of alcohol in the West was discovered in Italy in the twelfth century. Spirits came to be known as *aqua ardens* ('the water that burns') or *aqua vitae* ('the water of life'). By the thirteenth century, several writers mention it, and talk about brandy ten times distilled, until it reached what must have been about 90 per cent alcohol. The word 'alcohol' (which derives from Arabic) was introduced by Paracelsus in the sixteenth century. By 1559, *aqua vitae* was being praised by Conrad Gesner in terms which we can all find familiar: 'Yea, it changeth the affections of the minde, it taketh away sadnes and pensivenes, it maketh men meri, witty, and encreaseth audacitie. ..' And in this increased audacity, wit and merriment, the Chinese were in advance of Europeans by about five hundred years.

2.2 Different kinds of alcoholic beverages

China is an ancient country, with a variety of alcoholic drinks, generically called 'wines', including rice wine, grape wine, light beer, strong beer (sake), distilled liquors, ...

Already 3000 years ago, during the Zhou dynasty, there were plantations.

The first written record tells about general ZHANG Qian, who brought grape seeds along the silk road to China to the palace at Chang'an. The cultivation remained on a small scale, however.

"Historically the Chinese preferred strong spirits to unfortified grape wine and there is little evidence of serious (grape) wine production in China. It was not until the end of the 19th century that modern wineries were established."

One may recognize the types of Chinese alcoholic drinks as indicated in the scheme on the following pages.

For white spirits some other names are being used:

| | |
|----------|---------------------------------------|
| bai jiu | - white alcohol |
| qing jiu | - clear alcohol |
| hao jiu | - good, unadulterated alcohol |
| chun jiu | - mellow, good, unadulterated alcohol |

as well as:

| | |
|---------------|---|
| gao liang jiu | - very strong, distilled, clear alcohol made from sorghum |
|---------------|---|

Being outside the scope of this manuscript, many interesting aspects and facts of the non-grape wines and their uses have to pass unnoticed, e.g:

- the health-related effects, even of the traditional drinks mentioned that are not being sold as 'medical wines' (tonic effects, improving energy, appetite, ...)
- the use of alcohol for making Chinese medical wines and elixirs; cf. (Flaws, B., 1994)
- the uses in the kitchen for seasoning meat or fish dishes

Types of alcoholic drinks, their relations and their places of origin

| alcoholic drinks: | pin yin: | categories of wines; origin: | wine varieties: |
|--|------------|--|--|
| - Yellow rice wine | huang jiu | ----- . Shaoxin wine; Shaoxing city (Jianhu lake), Zhejiang prov. ----- ----- . Chengang wine; Longyan county, Fujian province ----- . Jimo Aged wine; Jimo county, Shandong province | ----- . Yuanhong ----- . Jiapan ----- . Shanniang ----- . Xiangxue ----- . Zhuangyuanhong (First-class scholar wine) ----- . Nuerhong (daughter's celebration) |
| - White spirits Burnt wine', Distilled products | shao chiu | ----- . Jiangxian or Maoxiang ----- . Qingxiang or Fenxiang ----- . Nongxiang or Luxiang or Jiaoxiang ----- . Mingxiang | ----- . Maotai; Maotai city, Renhui county, Guizhou prov. ----- . Fenjiu; Xinghua village, Fenyang county, Shanxi prov. ----- . Luzhoulaojiaotequ; Luzhou city, Sichuan prov. ----- . Wuliangye; Yibin city, Sichuan province ----- . Gulinshanhua; ----- . Gujinggongjiu; Jiantianji, Haoxian cou., Anhui prov. ----- . Dongjiu; Donggong Temple, Zunyi city, Guizhou ----- . Xifeng; Liulin city, Fengxiang county, Shaanxi prov. |
| - Wine from grapes | pu tao jiu | cf. Sections 3 ff | |
| - Wine from other fruits | | | |
| - Medicinal wines and elixirs | yao jiu | | |
| - Beer | pi jiu | ----- . Qingdao beer; Qingdao city, Shandong province ----- . Snowflake beer; Shenyang Brewery ----- . Special-Issue Five Star beer | |

Characteristics of alcoholic drinks

| name: | since: | alcohol. vol. | ingredients | saccharification Fermentation | ageing time / place | taste smell |
|--------------------------|--------------|---------------|---|---|--|-----------------------------------|
| -Yellow rice wine | ~ 2000 BC | 15-20 % | rice, yeast | fermenting, ripening | | |
| . Shaoxing wine | | | glutinous rice water; Jianhu lake yeast | | indefinite | clear strong fragrance good taste |
| . Chengang wine | | | glutinous rice several yeasts | | | strong fragrance |
| . Jimo aged wine | 1074 | | millet water; Mt. Laoshan yeast | cooking fermenting | | |
| - White spirits | Song dynasty | > 40 % | grain | fermenting | | |
| . Maotai | | 45 % | sorghum water; Cheshui river | crushing whole grains cooking, steaming distilled 8 times | few years adding flavourings 3 months rest | |
| . Fenjiu | ~ 500 AD | > 60 % | sorghum | steamed east of barley and peas buried 21 days distilled, yeast added ferment 21 days | | |
| . Wuliangye | | 60 % | sorghum, rice, corn wheat, glutinous rice | | | |
| . Luzhoulaojiaotequ | Ming dynasty | | glutinous sorghum wheat yeast | fermenting 60 days distilling | old wine cellars (special microbes) | |
| . Gujingongjiu | | | sorghum, wheat, barley, peas | fermenting distilling | old cellar | |

| name: | since: | alcohol. vol. | ingredients | saccharification Fermentation | ageing time / place | taste smell |
|------------------------------------|--------|---------------|--|--|---|--|
| . Dongjiu | | | 2 types sorghum yeast: - powerful liquor & - for milder liquor herbal medicines | combined distilled | | |
| . Xifeng | | | sorghum yeast from barley & peas | fermenting 14 days distilling | new cellars, fresh earth put on 3 years storage | |
| . Guilinsanhua | | | rice, yeast of wheat & herbal medicines | steaming saccharify 24 hours fermenting 7 days distilled | 1 to 3 years storage | |
| - Fruit & blended wines | | < 20 % | orange, red tangerine apple red bayberry lychee pineapple pear strawberry, hawthorn, kiwi | | | Sichuan Liaoning Jiangxi Fujian Guangxi Hebei |

- Medicinal wines

White spirits

- Maotai: "Maotai deserves the title of the best of Chinese spirituous liquors. It looks pure and clear and has a rich bouquet. It smells of soft scent but is not pungent; the odour can last a long time in a glass without a lid and can linger in the empty glass after drinking. Maotai is called 'The Glory of China' and is really the treasure of Chinese spirituous liquors." As it is used for formal, including state banquets it is also called 'Spirits of the Country' or 'Protocol Spirits'.

- Fenjiu
- Wuliangye
- Jiannanchun
- Guijingbaojiu
- Jiannanchun
- Yanghedaqu
- Dongjiu
- Luzhoulaojiaotequ
- Xifengji
- Quanxingdaqu
- Shuangguo
- Huanghelou
- Langqu

2.3 Inventions and discoveries

- | | |
|----------------------------|-------------------|
| - bier (4-5 % alc.) | ca. 1.500 v.Chr. |
| - sterk-bier/sake (> 12 %) | voor 1.000 v.Chr. |
| - wijn (ca. 11 %) | ? |
| - uitvriezen | ? |
| - distilleren | 7 th century |
| - drink-regulator | 12th c. |

2.4 Techniques used

3. Wine from grapes; its development through history

3.1 From the beginning

In China grapes have a long history. In old chronicles it is told:

"In 128 BC General ZHANG Qian [Chang Ch'ien; WG] returned from Asia Minor / Tashkent to his Emperor Wu-di [Wu-ti; WG], and he brought with him grape-stones that were planted near the emperor's palace in Chang'an (now Xi'an)."

In this way the wine-grape 'Vitis vinifera' arrived in China about 200 years earlier than in the great wine regions of France."

By now this story is well known in the Chinese wine-circles. 2,000 years later this General is honoured by a statue at the Dynasty Winery in Tianjin; cf. Fig. 9. It should be noted, however, that this transplanted was not the beginning of a triumphal expansion all over China of this kind of this Vitis-grape.



Fig. 9 Statue of General Zhang.

China has been a very closed country, allowing nothing (cultural or technical) in or out of the country for a long long time. The still and sparkling wine production had remained very unsophisticated. This situation improved in 1979 when China opened up to the rest of the world. Several moves have been made to allow foreign investors to install a modern wine industry in north east China. Among them are Cognac giant, Remy Martin, and Seagram of America. These companies all imported advanced vinification equipment, European vinifera vine cuttings, and foreign oenologists to produce the first 'western style' grape wines, suitable for both domestic and export markets. The state-owned wineries are slowly following their examples.

3.2 Indigenous grapes, imported grapes

The history of grapes has various ups and downs. The reasons for those are:

- grapes are not easy to store and to transport;
- only now the living standard in China is reaching the level for consumption of wine and grape-juice.

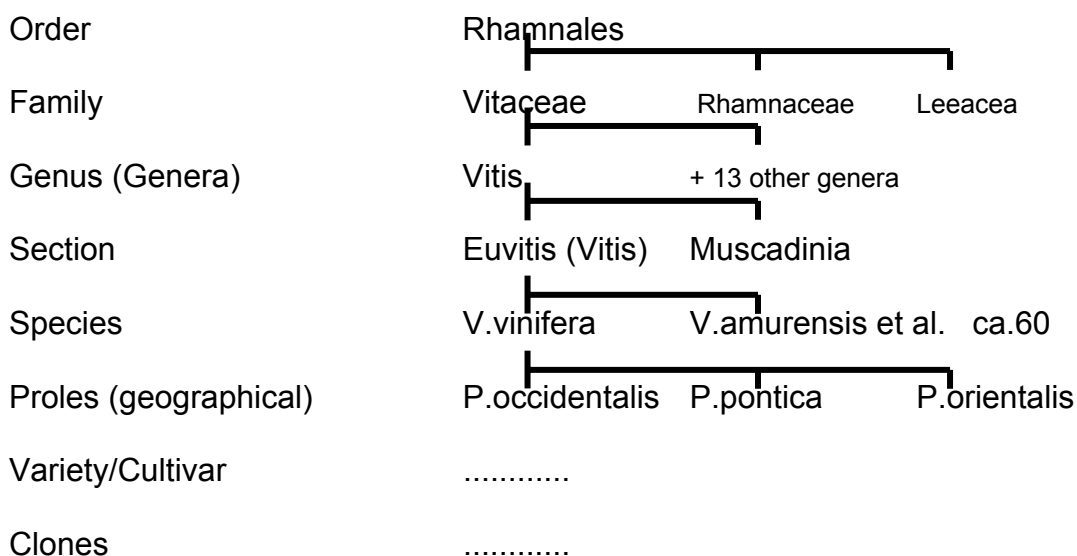
With the future improvement of the level there will be more demand of grapes and wine. It has already improved in recent years and high quality wine is entering the local market.

In his 1996 presentation to the People's Congress, Mr. Li Peng reported about the increase of the Chinese population and the necessary increase of the production of green food. Food is the first necessity. 25 billion kg grain is being used for making 'wine' (liquor). So, for food-production and health considerations it is good to shift to grape-products; this is good for the country and good for the people. Mountainous areas can be developed for grape- and wine-production. Of course this is echoed at the lower echalons -- Mr. WANG Lizeng, a division chief with China National Council of Light Industry: "China's alcohol industry is cutting production of rice liquors and developing more fruit wine and beer under a plan to reduce the huge grain consumption to ensure a healthy development in the future." Rice liquor distillers are the major industrial grain consumers. The distillation of 1 kg of white spirits requires at least 2 kilograms of grain. <http://library.northernlight.com/AG1998101670000583.html?cb=0&sc=0#doc>

Hence one can be optimistic with respect to the growth of wine-making in China.

To indicate the relations between the grape varieties we summarize the botanical relations of these plants (Robinson, J., 1994), (Robinson, J., 1986) .

Classification:



Among the ca. 60 *Vitis* species the following are recognized as Asian ones:
V.amurensis (cold-resistant), *V.coignetiae*, *V.thunbergii*.

More specifically Chinese species are: *V.romaneti*, *V.piasezkii*, *V.armata*, *V.wilsonae*, *V.rutilans*, *V.pagnucii*, *V.pentagona*, *V.romanetia*, *V.davidii*, *V.filifolia*

Thousands of native grape varieties exist in northern China, many from wild species.

The most widely planted table grapes are:

- Beichun (cold-resistant);
- Long Yan (high-yielding, white); and
- Ju Feng Noir, also known as Jifeng.

Alongside the widespread plantings of

- Muscat hamburg, and
- Rkatsiteli,

European varieties were introduced in the 1980s, including:

- Chenin blanc;
- Gewürztraminer;
- Sauvignon blanc;
- Cabernet sauvignon;
- Cabernet franc;
- Merlot;
- Pinot noir;
- Syrah;
- Gamay;
- Grenache.

A more detailed listing of the species of grapes with their Chinese names is the following.

| (Chinese) | (pin yin) | (English) | (origin) |
|-----------|-----------|-----------|----------|
|-----------|-----------|-----------|----------|

Local grapes for eating:

| | | | |
|--|---------------|----------------|--------------|
| | Niu nai | Cow milk | |
| | Long yan | Dragon eye | |
| | Jing you | | |
| | Jing xiu | | |
| | Jufeng | | from Japan |
| | Xin mei gui | New rose | |
| | Mei gui xiang | Rose fragrance | from Britain |

Imported grapes - red:

| | | |
|--|-------------|--------------------|
| | Chi xia zhu | Cabernet sauvignon |
| | Ping li zhu | Cabernet franc |
| | Mei lu zhi | Merlot |
| | Hei bi nuo | Pinot noir |
| | Hui bi nuo | |
| | Fa guo lan | |
| | Hei ja mei | Gamay noir |

Imported grapes - white:

| | |
|---------------|------------------|
| Lei si ling | Riesling |
| Xia duo li | Pinot chardonnay |
| Gui ren xiang | Italian riesling |
| Shuo wei nong | |
| Shai mei rong | Semillion |
| Ge lun bai | Colombard |
| Bai si nan | Chenin blanc |

Local hybrid types:

| | |
|-------------------|----------------------------|
| Mei chun | 58-6-3 |
| Mei yu | 58-5-1 |
| Mei nong | |
| Quan bai | |
| Gong niang yi hao | |
| Gong niang er hao | |
| Bei chun | V.vinifera x V.amurensis . |
| Shan mei gui | . |

Special grapes, without stones, for raisin production:

| |
|--------------------|
| Ka shi mi shi |
| A ke ji shi mi shi |

Some data on these cultivars can be found in the 'Grapevine Collections Worldwide', a co-operation of 126 institutions from 38 countries, which provides descriptions on berries, young and mature leaves, shoots, seed, as well as resistance against 13 diseases.

<http://www.dainet.de/genres/idb/vitiv/vitis.htm>

3.3 The role of western missionaries

In past centuries grapes were planted by the Jesuit priests who needed wine for celebrating mass.

3.4 Early wineries

Developments before 1949. ⁷

⁷ Sources of information: visit on: 1996.04.15
 China National Council of Light Industry (CNCLI): - Ms. Gao Mei Shu, Senior Engineer, Winemaking Association; - Ms. Liu Zong Hui, Programme Officer, Liaison Division, Department of International Cooperation, CNCLI
 CPAFFC: - Ms. Zhang Yongqing

In 1892 the Zhangyu [Chang Yu, WG] Winery in Yantai was started. It still is one of the largest.

In 1910 the Beijing Winery started. First they produced mass-wine for use in religious services.

After 1949 the government gave much attention to wine. The Beijing East Winery was established about 1956. Local wineries:

- Ming Quan Winery
- Lian Yun Gang Winery
- Shacheng Great Wall Winery

Xinjiang Wineries, e.g. Shanshan Winery

In mountain areas there are wild grapes, e.g:

- Tonghua Winery (Jilin)

These are state-owned.

3.5 Joint ventures

The government adheres to reform, introducing new techniques and new investments. In this process, for a long time a balance of foreign currency was important. In the 1980's overseas companies began to see an enormous potential for wine production and consumption in an emerging China. Such operations are structured as joint ventures. Big names behind these ventures include Martell and Remy Martin. Further Australian and French input.

The Great Wall Winery is sometimes considered a local one, Hongkong capital only.

Joint ventures

- China Great Wall Wine Company Ltd., 1979
Shacheng, Hebei Prov.
- Sino-French Joint Venture Wine Co. Ltd., 1980
Tianjin
- Sino-Japanese Friendship Winery Co., 1985
Yantai
- East China Winery Co. Ltd. (Huadong 1986
Winery Co.), Qingdao, Shandong Prov.
- Beijing Friendship Winery Co., Ltd. 1987
- Zhe Jiang Cereals, Oils & Foodstuffs
Import & Export Co., Hangzhou
- Tian Ma Wines & Spirits Co. Ltd.
- Great Harmony (Pieroth)
- Beijing Pernod-Ricard Wines 1994
- Yunmont 1994
- Dragon Seal (F)
- Hua Xia (Hebei Province)

- Huadong
- Dynasty

China's grape wine market has grown tremendously in the past few years. At 346 million liters a year (1995), it is about one-fifth the consumption in the United States, according to the San Francisco-based Wine Institute.

Among the reasons cited were the rising middle class, reports of wine's health benefits, and the Chinese government's attempts to push grape wine in an effort to maintain its dwindling rice stocks for food consumption. Rice wine is China's traditional alcoholic beverage.

While the United States only holds about 1 percent of China's wine market, export figures have risen sharply. Whereas China imported \$134,000 of U.S. wine in 1994, it reached \$238,000 a year later, and hit \$266,000 in the first half of this year alone. And there is the potential for continued growth: Japan, by comparison, buys \$32.5 million of U.S. wine each year (1996).

China's wine production has also seen huge expansion since the country opened its doors in 1978. At that time, the country produced only 6 metric tons of wine from grapes. Ten years later, that figure had risen to 330,000 metric tons per year. (A metric ton is the equivalent of about 111 cases.) The country now has about 90 large and medium-sized wineries.

1996:

vineyard area: 160,000 ha

total production: 3.1 million hl

annual consumption:

total: 960,000 hl

per capita: 0.18 l

export: 41,000 hl

4. Regions, climates and soils

4.1 Production of fruit

Since 1978 the fruit production in China has been growing rapidly; it has the most rapid growth in the world.⁸

In 1995 the total output of fruit was 41.9 million ton, and hence China is the biggest fruit-producing country. The population of China is 1.2 billion people, which makes the relative output 34 kg/person. This is about half of the average level of the world (the world standard in 1994 : 68.4 kg/person).

In order of quantity the production of different fruits was (1994):

| | | | | |
|---------------|-------|-------------|---|---|
| Apples | 11.13 | million ton | | |
| oranges, etc. | 6.8 | | - | - |
| pears | 4.04 | | - | - |
| banana's | | | | |
| grapes | | | | |
| peaches | | | | |

- Grapes

Also with respect to the cultivation-area being used, grapes rank 5th among all fruits. In 1994 the total area for grape-production was 22 million mu (ca. 1.5 million ha), with an output yield of 1.5 million ton. Since 1978 this is an increase of 4.8 times in area, and an increase in production of 13.6 times.

- Research

There are 3 main research institutes for fruit-sciences:

- Liaonang
- Zhenzhou, Hebei province
- Qongqing

The second one is particularly devoted to grapes, i.e. types of grapes, improvement of the quality of grapes, storage, import of new types.

Every province has a development institute for fruit trees and grapes. There are guidelines from the Ministry to different levels, assigning to local people the task to improve production.

- Processing

In 1996 in China there were about 250 grape processing factories. Only 20 of them had good technology, equipment and quality control. Due to the opening up of the country things are changing rapidly. There were 10 joint ventures with foreign partners. Some examples:

⁸ Sources of information: visiit on: 1996.04.15

Ministry of Agriculture: - Mr. Wang Xiaobing, Project Officer, Ministry of Agriculture

CPAFFC: - Ms. Zhang Yongqing

Paper: notes (in Chinese) kindly prepared by Mr. Wang

- Zhangyu winery in Yantai; it has already a history of 104 years. It produces a 'Gold Medal Brandy', the sales of which increases by 30 % a year since 1978.
 - Dynasty winery in Tianjin; in 1995 its production was 10,000 ton; compared to 1980 this is an increase of 150 times. According to the plans, in the year 2000 the production will be 30,000 ton.
 - Great Wall Winery is also of great interest; in 1995 its production of white wine passed 10,000 ton, and this production increases with 2,000 ton/year.
- The total yearly output of wine is 250,000 ton (1990). In 1996 11 Brands were officially listed by the State Technology Supervising Bureau.

Currently in China there is a good market. Brands on the market include:

| | |
|----------------|------------------|
| Chang cheng | Great Wall |
| Zhang yu | |
| Ming quan | |
| Wang chao | Dynasty |
| Tong hua | |
| Lei si ling | Riesling |
| Zhong guo hong | China red |
| | Osmanthum |
| Di wang | |
| Wei mei si | |
| | Gold medal brand |

Preserved grapes (raisins) are being produced in Xinjian, Inner Mongolia and Gansu. The total production in 1995 was 6,000 ton; 1,000 - 1,500 ton was exported.

4.2 Regions, suitable for viticulture

Office Internationale du Vin (OIV):

- in China 30.000 ha vineyards, including table grapes and raisins
(for comparison: Bordeaux ca. 100.000 ha)

Grapes can be found everywhere in China, but the highest concentrations are in the provinces/areas:

- Shandong peninsula
- south of Liaoning, near Dalian
- Henan, south of the old part of the Yellow River;
- Xinjian, representing 40 % of both production area and product output.

Together this represents 60% of the production area and 70% of the output.

- Shaanxi
- Shanxi
- Hebei

The wine-production areas are the following:

- Shandong
- North China: Henan, Hebei, Beijing, Tianjin

- Xinjiang
- old Yellow River basin.

In South China there are only very small wineries.

In 1996 about 100,000 ha of vine were cultivated, and there were plans to expand. The total output was about 200,000 ton per year, and it was developing in a healthy way.

The strong summer rain, humidity levels over 85 percent, and typically dense canopy encourage many vine diseases, except in Xinjiang, where the dry and hot climate actually discourages the development of such vine diseases.

Ningxia: a Southern Type of Scene in the Northern Frontier

The plain area in the north of Ningxia is one of the four ancient gravity irrigation areas in China. It has a history of over 2000 years in diverting water from the Yellow River for irrigation. The following poem has been recited from the ancient time up till now:

*At the foot the Helanshan sparkles an orchard of yours,
Reputed for its irrigated lush fields beyond the Great Wall.*

The old Qin Canal, Han Canal and Tanglai Canal have gone through many years and yet are still moistening this fertile land in the frontier. There is fertile land here with tense distributions of ditches and canals, fragrant rice and big fish, abundant supply of melons and fruits. It is regarded as a rich oasis along the riverside of the Yellow River.

For 40 years, the water conservancy by diverting water from the Yellow River has been developed to a great scale in Ningxia. The Qingtongxia key water control project was completed, making an end to the history that Ningxia did not have any dams to divert water. The irrigated area has increased from 192,000 hectares during the initial period after liberation to over 668,000 hectares. And great achievements have been obtained in terms of drainage construction, soil transformation and scientific farming. The output of rice and wheat per hectare in Ningxia therefore stepped into the advanced ranks in the whole country.

There is a saying that there are 72 lakes that are connected to each other at the two side of the Yellow River. There are rich water resources which is favorable for aquatic breeding. It is especially famous for the golden yellow colored delicious carps from the Yellow River. The output value of aquatic products in Ningxia has doubled twice within ten years, ranking the first in the north west area. 60% of the output is sold outside of Ningxia.

Ningxia belongs to a temperate continental climate zone, with sufficient sunshine and big differences of temperature between day and night. The physical conditions are favorable for the development of grapes plantation and silk worms breeding. At the east side of the Helanshan, a place which is known as "*Bordeaux in China*", a wine base of thousand of hectares is being formed in Ningxia. The serial Western Xia wine produced by Yuquanying Wine Factory was evaluated as "green foodstuff" by the Ministry of Agriculture of China. The wine is sold in most of the places in China.

"Ningxia is the only place that is enriched along the Yellow River". The people of all ethnic groups who are living here are building a beautiful hometown with their wisdom

and hard work. They are making this field into "a place which is not in the south of China but is better than a place in the south".

{http://china-window.com/Ningxia_w/etext2.htm}

The wine varieties: traditionally sweet wines. Now it is changing to medium sweet, medium dry and dry.

Chinese prefer wheat 'wines'; sweet rice wine accounts for 80 % of the consumption. Also there is a local production of foreign-introduced liquors like brandy and whisky. Yantai Winery is one of the largest producers.

Wine-making techniques: now the equipment is almost at the international level, some of local design, some imported. Developing in a healthy way.

The quality control is done by the Wine Checking Centre, Yantai, and other testing stations. Tasting panellists are registered by this Ministry.

In 1998 it was told that China, through private enterprises owned by the People's Liberation Army, considered planting up to 250,000 acres of vineyards over the next decade.

{<http://www.globalwinenews.com/globalwinenews/china-great-wall.html>}

5. Wineries, including joint ventures

In this chapter a number of wineries will be presented. If sufficient data are already available the descriptions of those wineries will be structured as follows:

- **History**
 - . *origin, participants*
 - . *development*
 - . *investments*
- **Soil and climate (weather)**
 - . *geographical situation*
 - . *soil conditions; chemical analysis; water distribution*
 - . *weather; frost, rain*
- **Vines**
 - . *kinds of grapes; areas in use*
 - . *number of plants per ha ?; number of hl per ha?*
 - . *disease prevention*
 - . *harvest and transportation of grapes*
 - . *local and foreign expertise: technical; management*
 - . *developments; plans*
- **Processing; cf. production flow-chart**
 - . *selection*
 - . *preparation*
 - . *fermentation; natural or cultivated yeast ?*
 - . *temperature control, etc.*
 - . *filtration*
 - . *quality checks*
 - . *local and foreign expertise:*
 - . *technical; management*
 - . *plans*
- **Characteristics of the products**
- **Marketing**
 - . *sales at the local market*
 - . *export*
 - . *awards and medals*
- **Plans for further development**
- **Documentation available**
- **Key-data sheet**

The order of the wineries is given by the year of establishment. However, if a winery is also engaged in a joint venture, then such a joint venture is mentioned and discussed following the parent-winery.



| short or brand name: | full name: section: | location: | since: | joint-v.met: |
|----------------------|--|-------------------------------------|--------|-----------------|
| Yantai | Yantai Winery | Yantai, Shandong Province | 1892 | -- 5.1 |
| ... | Sino-Japanese Friendship Winery Co. | Yantai | 1985 | Yantai W. 5.2 |
| Zhongguo brand | Beijing Winery | Western Suburb, Beijing | 1910 | -- 5.3 |
| Dragon Seal | Dragon Seal Wines Corporation or Beijing Friendship Winery Co., Ltd. | Western Suburb, Beijing | 1987 | Beijing W. 5.4 |
| ... | Beijing Pernod-Ricard Winery | Western Suburb, Beijing | 1994 | Beijing W. 5.5 |
| Qingdao | Qingdao Huaguan Wines & Spirits Co. | Qingdao, Shandong Province | 1914 | -- 5.6 |
| Huadong | Sino-Foreign Joint-Venture Huadong Winery Co., Ltd. | Laoshan, Qingdao, Shandong Province | 1985 | Qingdao 5.7 |
| Great Wall | Great Wall Wine Company, Ltd. | Shacheng, Hebei Province | 1960 | -- 5.8 |
| ... | China Great Wall Wine Company, Ltd. | Shacheng, Hebei Province | 1983 | Great Wall 5.9 |
| Dynasty | Sino-French Joint-Venture Dynasty Winery Ltd. | Tianjin, golf van Bo Hai | 1980 | Tianjin W. 5.10 |
| Great Harmony | Beijing Eastern Winery (Pieroth?) | | 1986 | 5.11 |
| ... | Tian Ma Wines & Spirits Co. Ltd. | | | 5.12 |
| | Summer Palace | | 1988 | Tian Ma W. 5.13 |
| ... | Zhengzhou Brewery | Zhengzhou, Henan Province | 1964 | 5.14 |

| | | | | |
|-------------|--|---------|----------------------------|------|
| Yunmont | Yunmont | 1994 | j.v. | 5.16 |
| ... | Zhenjiang Hengshun Governmental Soy sauce-Vinegar Works | (1840?) | | 5.17 |
| ... | Zhongshan Meiyile Food Producers | (1958?) | | 5.18 |
| Tonghua | Tonghua Winery; China National Cereal and Foodstuff Import and Export Corp. | | Jilin Province | 5.19 |
| Pagoda | Zhe Jiang Cereals, Oils & Foodstuffs Import & Export Co., Ltd. | | Hangzhou | 5.20 |
| LiHua | Zhengzhou Oriental Wine Industry Development Co. | | | 5.21 |
| Dong Ni | Shanghai LiHua Wine Co., Ltd. | | | 5.22 |
| Calvin | Qingdao Dongni Winery Co. | | Qingdao, Shandong Province | 5.23 |
| Chuanyan | Calvin Winery Co., Ltd. | | Lianyungang | 5.24 |
| Hong brand | Chuan Wine General Co. | | Sichuan | 5.25 |
| Cupbrand | Yuquan Winery | | Nixia | 5.26 |
| Mogao brand | Qing Xu Winery | | | 5.27 |
| Lou Lan | LingZhou Winery | | Gansu | 5.28 |
| ... | Shanshan Winery | | Xinjiang | 5.29 |
| ... | Heavenly Palace Winery Co. | | | 5.30 |
| ... | Ming Quan | | | 5.31 |
| ... | Lian Yun Gang | | | 5.32 |
| ... | | | | 5.33 |

5.1 Yantai Winery [Yantai jiuchang]

old name: Zhangyu Winery
 or: **Yantai Chang Yu Pioneer Wine Co.. Ltd.**

Yantai, Shandong Province

In 1892 (Guang Xu 18th of Qing Dynasty), a well-known overseas Chinese person started Changyu Pioneer Wine Company, which has turned into the source of wine industrialization of China. And his great foresight resulted in a proudful history during his life by vitalizing his motherland by industry. The name of Changyu is formed from his surname "Chang" and the meaning of "Prosperity" for luck.

After a century, the trademark of Changyu brand has become a famous brand in China and is known to all households domestically. Brilliant achievements In Panama Pacific Fair of Nations held in 1915 for celebrating the opening of the Panama Canal, such products of Changyu as Brandy, Red Wine, Riesling and Vermouth won four gold medals and prime quality certificates, and the credit for their country. Since then, Chinese wine was generally recognized by the world. The incomparable quality and unique style of Changyu products originate from the advanced equipment such as the brandy distillers, the precise inspecting instruments, the grape processing machines and the seven automatic bottling lines imported from France, Italy, Germany and Sweden, and the technology following the requirements.

Expanding marketing: Changyu's exports go to the South East Asian markets, including Hongkong, Malaysia, Singapore, Thailand and Japan some, but they are also making inroads as far as Holland, Belgium, France and the United States.

The company's exports value over 4 million US dollars, and are expected to grow steadily.

<http://www.yantaimarket.com/changyue.htm>

The company is divided into several units with their respective products.

- Wine Company of Changyu

Dry-red wine, including such varieties as red dry, white dry and sweet wine. Wine is rich with nutrients necessary for the human body. Greasy food will not be greasy when one eats meat over red dry wine, which will also assist in digesting food. And it is more suitable to drink white wine when one eats seafood. It shall promote one's appetite.

- Sparkling Wine Company of Cangyu

Sparkling Wine and Sparkling Cider are made from well chosen raw materials and by using fine technology. The products taste refreshingly and joyfully. The clear sound and the gush of foam when opening can bring rich gaiety to people. And they should really be cherished as an article for family gathering and great celebration.

- Health Wine Company of Changyu

Changyu bark and iron wine; Special quality Sanpian Jiu and Special quality Lingzhi Liquor are elaborately made by steeping dozens of rare medicinal herbs in wine by well mixing of wine aroma and herb fragrance. They are efficient in prevention and cure of

many common diseases and can be said to be the best tonic for health-keeping and body-strengthening, and are well marketed in Southeast Asia, Hong Kong and Taiwan.

- Brandy Company of Changyu

A special fine brandy of Changyu. In accordance with the ageing years, the brandy is divided into Xo, VSOP, VO, and VS class, corresponding respectively to 16, 8, 4 and 2 years. It has an amber color and a rich brandy perfume as well as oak fragrance. It can be mixed with mineral water or ice cubes without changing taste.

In addition the company is advertizing medicinal pills under the names: Liu Wei Di Huang Wan; Xiao Tang Ling Jiao Nang; Tzepao Sanpien Pills; Tzepao Sanpien Extract; Zhi Bao Bai Feng Wan.

<http://www.yantaimarket.com/changyue.htm>

http://www.chinamarket.com.cn/E/Showdetail_company/19402.html

 Key-data sheet

| | |
|----------------------|--|
| Yantai Winery | [Yantai jiuchang] |
| old name: | Zhangyu Winery [Chang Yu, WG] |
| or: | Yantai Chang Yu Pioneer Winery |
| established: | 1892 |
| owner: | regional government |
| manager: | Sun Liqiang |
| personnel: | 1993: 2,265 1995: 2,100, including 1,200 people working directly in wine production |
| sale/year: | 1993: 138.25 million RMB 1995: 360 million RMB |
| profit/worker: | 1995: |
| investment: | 1995: |
| fixed assets: | 1995: |
| capital: | 1993: 220 million RMB 1993: 50.04 million RMB ? |
| size vineyards: | 1995: 2,500 ha 4.67 ha ? |
| grapes: | Cabernet franc, Cabernet sauvignon, Cabernet genischt, Pinot gris, Chardonnay, Pinot noir, Riesling, Sauvignon blanc, Merlot, Semillon, Welch riesling, Ugni blanc, Saint-Emillon |
| products: | - Gold-Medal Brandy (XO, VSOP, VO, VS); - wine (sweet red, white dry, red dry, rose wine) - Changyu / Zhang yu (Cabernet) red wine - vermouth - sparkling wine (sparkling wine and sparkling cider) - health wine (Zhibao Sanbian wine, Special Sanpian wine, Special Glossy Ganoderma wine, Jinji Tieshu wine) |
| quantities: | 1986: 15,000 ton 1995: 30,000 ton |
| local market: | |
| export: | 1986: 30 % 1995: US\$ 3,800,000 |

5.2 Sino-Japanese Friendship Winery Co.

Yantai, Shandong Province

1985 - Joint venture established by:
 - Yantai winery
 - Koshuen
 - Kanematsu Kosho Co.

Key-data sheet

Sino-Japanese Friendship Winery Co.

[...]

established: Augustus 1985
 owners: joint venture
 - Yantai Winery;
 - CEROF-Shandong
 - Koshuen/Kanematsu Kosho Co./ Matsue
 manager:
 personnel: 1995:
 sale/year: 1995:
 profit/worker: 1995:
 investment: 1995:
 fixed assets: 1995:
 capital: 1995: \$ 5 million, 3.9 million RMB, 50% China; 50% Japan
 size vineyards:
 grapes:
 products: - white wine, dry and medium dry
 - red wine
 quantities: 1985: 550 ton
 1987: 1,000 ton ?
 local market:
 export: Japan ?
 honours:

5.3 Beijing Winery ⁹

old name: Shangyi Winery [Beijing xijiao putaojiu chang]

Western Suburb, Beijing

- **History**

After the Yantai Winery (founded in 1892), the Beijing Winery is the second oldest one in China. "It was established in 1910 by French roman catholic priests (Frères Maristes) under the name Shangyi Winery in order to provide wines for religious services ('mass-wine'). The company got a further boost after 1949 when the Chinese government reconstructed the enterprise with substantial investment. Now it is one of the largest and oldest enterprises in the wine sector; it is also one of the distinguished 'National High Reputation Enterprises'."

In the past its wines have also been used by foreign Embassies.

In 1956 the Winery was expanded to a production capacity of 10,000 ton per year. It was the second largest of China.

Its location is near Yuquan mountain, in the western suburbs of Beijing.

Between this Beijing Winery and the Groupe Pernod Ricard ¹⁰ two joint ventures were created:

- in 1987: the Beijing Dragon Seal Wines Corporation;
- in 1994: the Beijing Pernod Ricard Winery, an expansion at the same premises, making it 10 times bigger.

For these wineries see the Sections 5.4 and 5.5.

- **Soil and climate (weather):**

? soil conditions; chemical analysis ?

? water distribution ?

? weather; frost, rain ?

.....

- **Vines:**

"The grape varieties used are Muscat, Dragon Eye and White Feather. The grapes are harvested at perfect maturity and the juice is fermented for a week. The wine maker frequently monitors the fermentation process and terminates it at the optimal time." ¹¹

? areas ?

⁹ Unless specified otherwise this material is based on: - the visit of the author to the Beijing Winery on 1996.04.12 as specified under 'acknowledgements'/Appendices; -the material mentioned at the end of this section under 'Documentation available'.

Special thanks goes to Mr. Zhao Hongju for making corrections and additions, dated 1996.10.16, to my notes.

¹⁰ Pernod-Ricard is also present in Asia in Hongkong, Taipei, Bangkok, Singapore, Tokyo, Seoul.

¹¹ from a product note by the company on Kuei Hua Chen Chiew.

- ? number of plants per ha ?; number of hl per ha?
- ? disease prevention ?
- ? harvest and transportation of grapes ?
- ? developments; plans ?
- ? local and foreign expertise ?
- ? technical; management ?

.....

- Processing:

See the production flow-chart.

The wines produced for the Chinese market are traditional, i.e. sweet, with a sugar-content of 140-150 g/l. The storage is in 59 concrete tanks at a temperature of 15-18°C during 2 years.

The bottling machine was made by Klöckner-Holstein, Seitz in 1994; it has a capacity of 6,000 bottles per hour. The labels are glued on the bottles by machine, but the packing in carton is done manually.

- ? selection ?
- ? preparation ?
 - fermentation; natural yeast
 - temperature control
- ? filtration ?
- ? quality checks ?
- ? plans ?
 - both local and foreign expertise
- ? technical; management ?

- The products

The products are traditional still wines for the Chinese market, sold under the name 'Zhong Hua brand'; so they are sweet;

- Zhongguo Hong, *"a traditional sweet type grape wine, enjoyed by China's top leaders for years."*

made from ... grapes ?

processing ... ?

alcohol contents 15 %

sulphur contents < 50 ppm

(tasting notes later)

plant-flavoured wines: for some products an essence is needed. Some information:

- Kuei Hua Chen Chiew, flavoured with Osmanthus flower (tea olive, member of the Oleaceae, the olive family). Note that the name of the touristic Chinese region, famous for its karst formations, Kuei-lin (PY: Guilin) means: forest of sweet osmanthus.

"Osmanthus flowers belong to the Cassia flowers family. They are grown near Suzhou, Jiangsu province. They bloom in September/October. The flowers are gently picked by hand and rushed to the Winery in special jars, to preserve their moisture and freshness. Then maceration of the flowers takes place in tanks with 60° neutral alcohol. Next the extract is distilled to get the essence, the aromatic oil. This oil is then blended with the grape wine, sugar and neutral alcohol. Aging takes place at low temperature in our cellar. After aging, its round and smooth taste develops with a pronounced bouquet of fresh Osmanthus flowers. Kuei Hua Chen Chiew can be drunk straight, with ice or as a mixture with water, tonic or soda." ¹²

Kuei Hua Chen Chiew was invented in the 50's by Beijing Winery; it was awarded many medals in international wine competitions, particularly in France."

alcohol contents 15%

sulphur contents ... ?

(tasting notes later)

- Gong Gui, *"another wine with Osmanthus flower, very popular down to the most remote parts of China such as Yunnan, Xinjiang, ..."*

made from ... grapes ?

processing ... ?

alcohol contents ...%

sulphur contents ... ?

(tasting notes later)

- Lian Yu Bai *"or Lotus White Tonic, a white spirit whose secret composition includes many Chinese pharmaceutical herbs."*

not made from grapes

processing ... ?

alcohol contents 50 %

sulphur contents none

(tasting notes later)

- fruit-wine

- Marketing

Some statistics about the production: cf. Key-data sheet.

? local market ?

? export ?

? awards and medals ?

? plans ?

.....

¹² from a product note by the company on Kuei Hua Chen Chiew.

- Documentation available

Beijing Pernod Ricard Winery. Brochures [partly in Chinese]:

- Kuei Hua Chen Chiew (Osmanthus wine)
- Dragon Seal Wines Co.
- Dragon Seal wine range
- press release on the Beijing Pernod Ricard Winery, 1994.07.04

 Key-data sheet

Beijing Winery

| | |
|-----------------|---|
| old name: | Shangyi Winery[Beijing xijiao putaojiu chang] |
| established: | 1910 |
| owner: | regional government |
| chairman: | Jiang Wenju |
| manager: | |
| personnel: | 1993: 760 |
| sale/year: | 1993: 58.09 million RMB 1995: 100 million RMB |
| profit/worker: | |
| investments: | |
| capital: | 1993: 19.60 million RMB |
| fixed assets: | |
| size vineyards: | |
| grapes: | |
| products: | Zhonghua brand, wines for Chinese market; traditional, sweet; - Zhongguo Hong red wine: - Kuei Hua Chen Chiew (Osmanthus flower flavour) - Gong Gui (Osmanthus flower flavour) white spirit: - Lian Yu Bai or Lotus White Tonic - fruit-wine |
| quantities: | 1950: 22 ton 1956: 10,000 ton 1993: more than 10 million bottles |
| local market: | |
| export: | 10%; e.g. 100,000 boxes per year, over 10 countries |

5.4 Dragon Seal Wines Corporation¹³ or Beijing Friendship Winery Co., Ltd.

[Beijing youyi putao niangjiu youxian gongsi]

Western Suburb/Hai Dian District, Beijing

Dragon Seal Wine

Groupe Pernod Ricard and China

Product and price list

Dragon Seal Gift Shop

Dragon Seal's Activities

Our Partners' Links

Our offices in China

Press Release

Job Opportunities

Contact Dragon Seal

Seal of approval for a Dragon Red

KEVIN SINCLAIR

Randy Lee remembers 1988, the last year of the dragon. He was working for a US firm in Tianjin, organising exports from the port city. He had to go to banquets almost every night, where he avoided mao tai by sipping a young red wine called Dragon Seal.

¹³ Unless otherwise specified this material is based on: - the visit of the author to the Beijing Winery as specified under 'Acknowledgements'/Appendices; - the material mentioned at the end of this section under 'Documentation available'.
Special thanks goes to Mr. Zhao Hongju for making corrections and additions, dated 1996.10.16, to my notes.

Twelve years on, Lee is now in charge of putting wines on the shelves of ParknShop. He's celebrating this Year of the Dragon by importing Dragon Seal's cabernet sauvignon.

"It's tremendously improved from those years when I drank it in Northern China," he contends. Lee's right, but there's still some way to go.

Chinese wines have improved dramatically over the past decade. Foreign investors and winemakers have led a revolution, but this has not been easy. Good wine comes only from good fruit, and some of the early wines in China (the late 80s vintages) were made from grapes meant to be eaten, not drunk.

Now that there are extensive vineyards in China (one company in Xinjiang is planting 3,000 hectares of cabernet sauvignon and merlot) the country can make better wine.

It doesn't hurt that adventurous foreign winemakers are spending a vintage working in Chinese wineries. Additionally, Chinese winemakers are studying on some of the great estates in Europe.

It all adds up to good news for wine lovers. With cheap land and labour, can we expect to be flooded with good, cheap Chinese wines? Alas, it doesn't work that way.

Lee and I each take a long sip of the ruby-hued 97 Dragon Seal cabernet sauvignon. The nose is a bit woody, but after the wine gets some air, it freshens up nicely.

You could easily mistake this for an inexpensive French red. Not surprising, really, because Dragon Seal is now owned by the French beverages giant Pernod Ricard.

There's a Frenchman making the wine in Huailai, outside Tianjin, where cabernet sauvignon grows from French clippings. At \$59 a bottle in ParknShop, this is not bad value. It's as good as anything French you'll get for the price.

This is also the genuine thing. It's wine made in China from grapes grown in China. Some of the "Chinese" wine now on the market is cheap plonk grown in Europe, shipped to China in big plastic bags and bottled in Shanghai, with a bit of local juice added.

That acidic wine Lee was sipping back in 1988 was definitely something he had no intention of exporting. "There was no market for Chinese wines outside China," he says.

Now, with increasing quality and better labeling and marketing, inexpensive Chinese wines can be sold anywhere. Sometimes in places like Australia, they are novelty items listed in Cantonese restaurants. They're drunk for a joke.

But this Dragon Seal cab sav can be enjoyed on its own merits. The boys at Chateau Margaux need not have sleepless nights about the threat of competition, but if people want a good swigging red for a barbecue or boat party, then consider this.

(South China Morning Post/Saturday, April 22, 2000)

{<http://www.dragonseal.com/ehtmls/dex9-1.htm>}

- **History**

This joint venture was the first one between the Beijing Winery and the Groupe Pernod Ricard, France. The first cooperation agreement dates from 1985. After that Pernod Ricard took a 33% shareholding in Dragon Seal Wines Co. The joint venture was created in March 1987.¹⁴ The shareholding has been raised to a majority stake by the Groupe P.R. Also involved were: the Chinese Association for Commerce and Economy, the Banque Indo-Suez and Caldbecks, Hongkong.

The wine was launched in 1988. According to the Chinese tradition this was the year of the dragon; from this fact the Winery got its name.

- **Soil and climate (weather)**

The grapes grow mainly in the Huailai District, Hebei Province, 120 km from Beijing. The climate is continental, dry, and well suited for grape growing. Quality standards are laid down in long-term contracts by the Winery. The grapes are collected by the farmers by hand at peak maturity, and transported in cleaned crates.

? soil conditions; chemical analysis; water distribution ?

? weather; frost, rain ?

- **Vines**

"16 grape varieties were selected by a team of French and Chinese specialists and imported from France (Bordeaux, Burgundy and Alsace), including: Gamay, Sauvignon blanc, Cabernet sauvignon (imported from Bordeaux in 1987), Chardonnay, Riesling, Italian riesling, Muscat de hambourg, Chasan, Chenin, Gewurztraminer as well as Chinese traditional grape varieties, among which White feather and Dragon eye."

Vineyard locations include the following:

- Huailai district, Hebei province, 120 km north-west of Beijing, 25 km from the Great Wall famous spot called Badaling - totally 100 ha; well-drained sandy and stony soil at the foot of Yan mountains: Riesling, Cabernet sauvignon (35 ha), Chardonnay (7 ha), Chenin blanc.
- Ji Xian county, Hebei province, 120 km east of Beijing: Italian Riesling.
- Hebei province, 160 km south of Beijing: White Feather and Muscat grape varieties.

¹⁴ Beijing Winery is the biggest Chinese producer of wines. The Groupe Pernod Ricard is the world's third largest wines and spirits producer; it has been active in China since the mid 80s.

The harvest of the white grapes is at the end of September, of Cabernet sauvignon in early October.

- ? number of plants per ha ?; number of hl per ha ?
- ? disease prevention ?
- ? harvest and transportation of grapes ?
- ? developments; plans ?
- ? local and foreign expertise ?
- ? technical; management ?

- **Processing**

See the production flow-chart.

The size of the premises is 50,000 m².

The production of *white wines*: "The different varieties are crushed and fermented separately. The press is manufactured by Vaslin CMMC. After pressing, the juice is chilled and held in stainless steel fermenter, where the temperature is rigorously controlled at 18°C, so as to enhance all the aromatic components contained in the grapes.

Early December, the winemaker tastes the wine contained in each tank in order to prepare the blend. Usually the tasting preparation takes two weeks.

Filtration and cold stabilisation follow. In order to preserve freshness, the wine is stored at a temperature of 12°C.

Prior to filling the bottles, the wine is filtered to remove the micro-organisms."

The production of *red wines*: "In order to preserve the colour and the flavours, the semi-carbonic maceration process is used. The grapes are stemmed and the berries pumped into a tank for a week without crushing. Then the wine is drained off and the berries are crushed. The emerging juice is still very sweet and very fragrant. The primary fermentation is completed at low temperature (25°C) and it is followed by the malolactic fermentation. After 6 months of aging in steel tanks the wine is gently filtered and bottled. The processing is supervised by a French winemaker.

The bottling machine, produced by Seitz, is from about 1986. It has a capacity of 6,000 bottles per hour. In June 1996 a new line would be started.

The bottles are partly produced locally, partly imported from France. These Chinese-made products are transported in textile bags; hence they need extra cleaning. Sometimes the (in)accuracy of the dimensions of the bottles may cause trouble in the filling machine.

The storage of wines has a capacity of more than 5,000 ton, of which 4,500 ton is in concrete containers.

- ? fermentation; natural or cultivated yeast ?
- ? temperature control, etc. ?
- ? filtration ?
- ? quality checks ?
- ? plans ?
- ? technical management ?

- The products

Dragon Seal wines (Longhui putaojiu):

- white, dry

made from Riesling/Italian riesling (65%), White feather (20%) which provides crisp acidity, and some other types of grapes
processing: the dry white wine does not have a maceration.

CO₂ contents: 1,000 mg/l

"The wine offers a nice brilliance and a slightly yellow colour. The flavours are harmonious and fresh, with a floral bouquet and with hints of peach and apricot. The taste develops roundness and a crisp, refreshing finish. ... Best served at 8°C." It is sold in bottles of 75, 37.5 and 18.75 cl.

(tasting notes later)

- white, medium dry

made from Muscat de hambourg, White feather and Dragon eye grapes. "The first varietal gives its full-flavoured bouquet to the wine and the other 2 varietals offer crispness and acidity."

processing ...

CO₂ contents: 1,100 mg/l

"It has a pale yellow colour. It is a particularly well-balanced wine. Its flowery bouquet is rich of the aromas of rose petals and fresh fruit, such as melon."

It is sold in bottles of 150, 75, 37.5 and 18.75 cl.

(tasting notes later)

- red, dry, Gamay

made from Gamay, Cabernet franc and Cabernet gernischt grapes

processing: semi-carbonic maceration during one week; crushing; primary fermentation at a low temperature; malolactic fermentation; 6 months aging; gently filtering; bottling.

"It has a delicate ruby colour. Its bouquet combines the fruity character of a classical Gamay red wine with hints of earthiness." It is sold in bottles of 75 cl.

(tasting notes later)

- red, dry, Cabernet sauvignon

made from 100% Cabernet sauvignon grapes

processing: the red wine gets a maceration; twice a day the fermenting wine is pumped over the grape-skins. The wine matures in a steel tank for seven months.

"It has a dark red colour with spice and ripe black currant fruit character, complemented by earthy nuances." It is sold in bottles of 75 cl.

(tasting notes later)

- white, dry, Chardonnay

made from 100% Chardonnay grapes

processing: no maceration; part of the wine matures in French oak barriques (225 l) at 18°C; every week during the aging process the wine in each barrel is stirred for extended lees contact. "The Chardonnay which has been fermented and aged in oak barrels is blended with Chardonnay fermented and aged in stainless steel tanks." It is sold in bottles of 75 cl.

(tasting notes later)

- rose

made from Gamay and Cabernet sauvignon grapes

processing: closely supervised maceration in stainless steel tank; fermentation at a low temperature. It is sold in bottles of 150, 75 and 37.5 cl.

(tasting notes later)

Technical data of the wines

| wine: | grapes: | alcohol: % | sugar: g/l | acidity: g/l (H ₂ SO ₄) | pH: | sulphur: SO ₂ mg/l |
|-------------------------------|---|---------------|---------------|---|------|----------------------------------|
| - white, dry | Riesling (Ital.) White feather some other | 11.5-12.0 | < 2 | 5,5-7.0 | 3.21 | F 30 T 110 |
| - white, Muscat medium dry | 11,6-12.4 White feather Dragon eye | 8 | 5.5-7.0 | 3.27 | F 50 | T 150 |
| - red, dry Gamay | Gamay Cab. franc Cab. gernischt | 11.6 | | 6.5 | 3.40 | |
| - red, dry Cabernet s. | Cab. sauvignon | 11.9 | | 5.7 | 3.70 | |
| - white dry Chardonnay | Chardonnay | 11.6-12.4 | | 5.5-7.0 | 3.45 | |
| - rose | Gamay Cab. sauvignon | 12.1 | | 6.70 | 3.30 | |

- **Marketing**

quantities: 1992: 750,000 bottles
1993: 1.5 million bottles

local market: most important: Beijing, Shanghai, Guangzhou: international hotels in China. For hotels and restaurants staffs, for groups and individuals visits of the winery are organized with lectures on the wine making process and tastings of the products.

export: to more than 20 countries, mostly to France, but also UK, The Netherlands, Germany, Ireland, Switzerland, Canada, Belgium, Singapore, Japan, Hongkong.

Dragon Seal has been awarded a number of awards:

- 1989: gold medal, International Wine Competition, Reims, France;
- 1989: gold medal, International Wine Competition, Hongkong
- 1991: Recommendation, London, for medium dry white wine
- 1992: Prix d'Excellence at the Sélections Mondiales in Montréal, Canada for the 1990 medium dry white wine.
- 1994: merit certificate, Selection Mondiales, Montreal, Canada for the 1992 rose wine and medium dry white wine.
- 1995: gold medal, Vinexpo, Bordeaux for the Dragon Seal 1993 dry white wine.
- 1995: silver medal, Vinexpo, Bordeaux for the Dragon Seal 1993 Chardonnay
- 1995: bronze medal, International Wine Competition, Hongkong, for the Dragon Seal 1993 Chardonnay.

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- 1996: silver medal, Selections Mondiales, Montreal, Canada, for the Dragon Seal 1994 dry white wine.
- 1996: bronze medal, Selections Mondiales, Montreal, Canada, for the Dragon Seal 1994 Chardonnay.

? plans ?

- ***Documentation available***

Beijing Pernod Ricard Winery. Brochures [partly in Chinese]:

- Dragon Seal Wines Co.
- Dragon Seal wine range

 Key-data sheet

Dragon Seal Wines Corporation

or: Beijing Friendship Winery [Beijing youyi putao niangjiu youxian gongsi]

established: 1987
 owners: joint venture:
 - Beijing Winery
 - Groupe Pernod Ricard (originally: 33%; later a majority stake)
 manager:
 personnel: 1995: 40
 sale/year: 1995:
 profit/worker: 1995:
 investment: 1995: US\$ 1.2 million
 fixed assets: 1995:
 capital: 1995: US\$ 1.2 million
 size vineyards: 4,000 mu = 267 ha
 grapes: Riesling, Gamay, Chardonnay, Cabernet sauvignon
 products: Dragon Seal wines (Longhui putaojiu):
 - white dry; Riesling; Chardonnay
 - white, medium dry
 - rose
 - red; Cabernet sauvignon
 quantities: 1992: 750,000 bottles
 1993: 1.5 million bottles
 local market: most important: Beijing, Shanghai, Guangzhou
 export: to more than 20 countries, mostly to France, but also UK, The
 Netherlands, Germany, Ireland, Switzerland, Canada, Belgium,
 Singapore, Japan, Hongkong.
 honours: see text

5.5 Beijing Pernod-Ricard Winery

Western Suburb, Beijing

1994 - established; participation Group Pernod-Ricard 65 %

1994: "The Group Pernod-Ricard is already present at the Chinese market for 10 years. For the first year a production of 11 million bottles of wine and distilled drinks are planned. Pernod-Ricard is present already in Asia in Hongkong, Beijing, Taipei, Bangkok, Singapore, Tokyo, Seoul."

Key-data sheet

Beijing Pernod-Ricard Winery

[....]

established:

owner:

manager:

personnel: 1995:

sale/year: 1995:

profit/worker: 1995:

investment: 1995:

fixed assets: 1995:

capital: 1995:

size vineyards:

grapes:

products:

quantities: 1995:

local market:

export:

honours:

5.6 Qingdao Huaguan Wines & Spirits Co. ¹⁵

Qingdao Winery

[Qingdao jiuchang]

old name: Meikou Winery

Qingdao, Shandong Province

- *History*

During our visit to the winery, the history of grapes and wines in China are briefly indicated: general ZHANG Qian (Han dynasty); the famous poet Li Taibai (Tang dynasty).

Under the names Melchers & Co., Melco Weinkellerei, Meikou (beautiful, delicious) a wine making shop was started by Germans in 1914. The production developed as follows:

1949: 100 ton
 1957: 2,000 ton
 1980: 15,000 ton
 1986: 25,000 ton

In 1956 the present location was chosen for the winery. It was designed for a production of 2,000 ton/year. Now it is one of the larger in China. ¹⁶ The fixed assets are 200 million RMB.

Since the opening of China to the outside world also foreign cooperation has started and foreign investments have been absorbed; cf. the joint-venture Huadong Winery.

- *Soil and climate (weather)*

At the Pingdu site the soil is a south-facing slope, sand, with a good water drainage along the slopes of river beds.

? soil conditions; chemical analysis; water ?

? distribution ?

? weather; frost, rain ?

- *Vines*

The density of plants is about 5,000 per ha; the yield is 22.5 hl per ha.

Part of the grapes are grown at own vineyards, part of them bought from farmers under a quality agreement. The price depends on the quality of the grapes. Normally the sugar

¹⁵ Unless specified otherwise this material is based on: - the visits of the author to the Qingdao Yiqing Industrial Corporation, the Qingdao Huaguan Wines & Spirits Co., and the Sino-Foreign Joint-Venture Huadong Winery Co., Ltd. as specified under 'acknowledgements'/Appendices; - the material mentioned at the end of this section under 'Documentation available'.

¹⁶ Now the company is divided into several subsidiaries, including: Sparkling Wine Company, Spirits Company, Pier Brand Liquor Company, Natural Drinks Company, Distribution Company, Business Dealing Company, Industrial Company, Run-Hua Company, Mei-Cheng Coatings Factory, and Huadong Winery Ltd.

contents is 180 g/l, minimum limit 160 g/l. The Winery determines the time of the harvest.

13 kinds of grape species have been imported from France.

? grapes ?; areas ?

? disease prevention ?

? harvest and transportation of grapes ?

? developments; plans ?

? local and foreign expertise ?

? technical; management ?

- **Processing**

Cf. production flow-chart.

Grape selection is being done on the conveyor belt.

During the wine processing there are 4 filtrations.

The grapes are pressed in a press of the inflated-bag type, manufactured by Bucher (RPX 140), France.

The fermentation of white wine is at about 15°C during 10 days. The stainless steel tanks have been made by Gasquet, Bordeaux.

For quality control a chromatograph is available, which analyses: sugar, alcohol, acid, Fe, SO₂.

The bottling line for bottles with screw caps is a German one, manufacturer Seitz Enzinger.

The yeast, needed for the sparkling (Champagne-type) wine is cultivated at the factory. As a rule there is no chaptalization. By blending the acid percentage is 0.65 %. There is no malolactic fermentation.

There are also fermentation stations at Laixi, Pingdu and Jimo.

? selection ?

? preparation ?

? fermentation; natural or cultivated yeast ?

? temperature control, etc. ?

? filtration ?

? quality checks ?

? plans ?

? local and foreign expertise ?

? technical; management ?

- **The products**

The products are the following Tsingtao products; see the labels and contra-labels:

- dry red wine

made from grapes

processing:

alcohol contents

sulphur contents ...

(tasting notes later)

- sweet red wine
 - made from grapes
 - processing:
 - alcohol contents
 - sulphur contents ...
 - (tasting notes later)
- dry white wine
 - made from 100% Riesling grapes
 - processing:
 - alcohol contents
 - sulphur contents ...
 - (tasting notes later)
- sweet white wine
 - made from grapes
 - processing:
 - alcohol contents
 - sulphur contents ...
 - (tasting notes later)
- sparkling (champagne-type) wine
 - made from grapes
 - processing:
 - alcohol contents
 - sulphur contents ...
 - (tasting notes later)
- plum brandy
 - made from
 - processing:
 - alcohol contents 13%
 - (tasting notes later)
- cherry brandy
 - made from
 - processing:
 - alcohol contents
 - (tasting notes later)
- wodka
 - made from
 - processing:
 - alcohol contents
 - (tasting notes later)
- whisky
 - made from
 - processing:
 - alcohol contents
 - (tasting notes later)

- **Marketing**

The products are well appreciated. In 1954, at the International Peace Conference in Geneva, Mr. Zhou Enlai brought Qingdao sparkling wine with him for toasting; in 1988

Mr. Li Xian nian, former president of China, used it at a state banquet for a toast to Mr. Reagan, former president of the USA.

Other awards:

- 1963, white wine, gold prize by the state
- 1988, Barcelona, Spain - 'excellent product' qualification for dry white wine and sparkling wine at the Third International Wines Competition;
- 1989, France, special grand prize for the dry white wine in the 29th World Taster's Meeting;
- 'excellent product' qualification by the Ministry of Light Industry, Shandong Province, for 15 products.

? local market ?

? export ?

? awards and medals ?

? plans ?

- ***Documentation available***

- Li Yannming, editor, & Wu Da Li, chief author (1985). The History of Qingdao Winery, 1914-1985 [in Chinese: Qing Dao Pu Tao Jiu Chang Zhi]. 156 pp. (this document has not yet been translated and not yet been used for this report)
- Qingdao Huaguan Winery. Product-brochure [partly in Chinese]. loose leaf edition.

- **Acknowledgement:**

I am very much indebted to the organisations and the people mentioned:

- to the CPAFFC and to QPAFFC for organizing the meetings, and
- to the Qingdao Yiqing Industrial Corporation and the Qingdao Huaguan Wines & Spirits Co. for providing information and hosting us in such a friendly way.

Hen hao, xiexie ni !

Key-data sheet

Qingdao Huaguan Wines & Spirits Co.

Qingdao Winery [Qingdao jiuchang]
old name: Meikou Winery

Qingdao, Shandong Province

established: 1914
owner: regional government
manager: Mr. Song Shao
personnel: 1996: over 1,200 personnel, including over 240 professional and technical employees
sale/year: 1993: 60.42 million RMB
profit/worker: 1995:
investment: 1995:
fixed assets: 1995: 200 million RMB
capital: 1993: 35.76 million RMB
size vineyards: > 670 ha ??
grapes: Chardonnay, Italian Riesling, Cabernet sauvignon, Pinot noir
products: - dry red wine
- sweet red wine
- dry white wine
- sweet white wine
- sparkling (champagne-type) wine
- plum brandy, 13% alcohol
- wodka
- whisky
quantities: 1986: 25,000 ton
1995: ?
local market: 1995:
export: 1995:
honours: see text

5.7 Sino-Foreign Joint-Venture Huadong Winery Co., Ltd. ¹⁷

[Huadong putao niangjiu youxian gongsi]

or: East China Winery Co. Ltd.

or: Huadong Winery Co. Ltd.

North of Nanlongkou, Laoshan, Qingdao, Shandong Province

- *History*

The history starts in 1983 by a visit by Michael Parry (Parry Pacific Co.) and Peter Barry (Jim Barry's Winery, Clare Vale, Australië). This led to a cooperation agreement in 1984 and developed to a joint ventures in 1985. This first joint venture in Shandong started with a total investment of US\$ 1,950,000 from the partners:

- Qingdao Huaguan Wines & Spirits Corporation (formerly: Tsingtao Winery) (50%)
- Shandong Food Import & Export Corporation (10%)
- Parry Pacific Co., Ltd., Hongkong (40%) ¹⁸

The agreement has a duration of 30 years. In 1989 Parry transferred his 40% shares to Hiram Walker Allied Vintners Ltd., Hongkong ¹⁹, subsidiary of Allied Domecq Spirits & Wine Ltd, UK. In January 1995 a new factory by Walker was opened.

The name 'Huadong' consists of: hua = magnificent and dong = east; note that in China the sequence order is: E, S, W, N, so east comes first. In the original design the production capacity was 90 ton. The development of the production is:

1985: 27 ton

1995: 900 ton

1996: 1,800 ton

Buildings and terrain, see ground-plan and pictures (C16, C20, C23)

Michael Parry died in 1990; his successor was Gabriel Tam.

A report on this winery, as published in Wall Street Journal, October 1996 and on internet:

¹⁷ Unless specified otherwise this material is based on: - the visit for a general orientation to: the Qingdao Yiqing Industrial Corporation, the Qingdao Huaguan Wines & Spirits Co. and the Sino-Foreign Joint-Venture Huadong Winery Co., - the plant visit to Huadong Winery, as specified under 'acknowledgements'/Appendices;- the material mentioned at the end of this section under 'Documentation available'.

¹⁸ In the beginning Michael Parry was the driving force behind the joint venture. He had to overcome many problems during the construction of the winery. Also the first harvest gave a problem, because the farmers picked the grapes too early. Ultimately he succeeded to get the conditions right for producing quality wines. In August 1990 Mr. Parry died of cancer. His grave at the slope of Mount Laoshan overlooks the buildings and the vineyard of the winery .

¹⁹ This company imports into China a variety of brands, including: Courvoisier, Ballantine's, Canadian Club, Maker's Mark, Harveys, Tequila Sauza, Lanson, Moskovskaya, Stolichnaya, Kahlua, Tia Maria, Beefeater, Warninks and Long John.

"China Wine - The East is Red; In terms of wines, anyway, as China's leading vineyard continues to win awards and turn heads with surpassingly tasty vintages from the Middle Kingdom

As the sun nears the center of the sky, commotion ripples through the fields near Laoshan, one of China's most sacred mountains. Hoes are dropped in unison at 11:30 a.m., and scores of workers simultaneously leap upon bicycles. Then, the peasants pedal home for bowls of rice, and cups of tea or beer - the traditional mid-day fare.

But the boss of this farm lingers. In a mellow mood, Lin Ke Qiang walks a few guests into a parlor, opens a fridge and pours an odd lunchtime beverage.

Sipping the clear liquid, he proclaims: "This is our best wine yet." Harvest has come to Shandong Province in northeastern China. Revered for its apple orchards, the region has lately been gaining a reputation for the juice of another fruit. The remarkable Chardonnay that Mr Lin is sipping is the reason. Wine in China has long elicited chuckles from viticulturists and consumers alike, but at Huadong Winery, Mr Lin and his colleagues are having the last laugh. In the process, the output from its vineyards may well reshape drinking habits in what is, potentially, the world's largest wine market.

However, it has been a long march for Huadong, a winery with a lifeline as hearty as the Chardonnay, Riesling and two red vintages it produces. Michael Parry, an English wine merchant from Hong Kong, imported over 40,000 vines from Europe in the mid-1980s to establish China's finest vineyards. The estate was destroyed by a typhoon the following year. Parry replanted but went bankrupt in the process.

Undaunted, he found new partners, and the revolutionary winery struggled on. Unfortunately, Parry never had a chance to savor success from what he had sown. He died a few years back, and his ashes were planted in the vineyards along with his bold dreams of a brave new wine for this ancient land.

Although wine making has a thousand-year history in the Middle Kingdom, the wines have mainly been lethal libations like "baijiu," a clear liquid of 45 percent alcohol, or syrupy concoctions made from table grapes. Huadong produces China's first varietals, as well a red table wine that mainly uses Cabernet grapes.

The wines are produced to western standards, in state-of-the art equipment in a charming chateau about 40 minutes from Qingdao, the old German colony on the coast that is home to Tsingtao Beer, China's best known export brand.

However, Huadong may change that. Its tasty Chardonnay, in particular, has won gold medals in Europe and, most recently, from as far away as South Africa. Yet, more significantly, the winery's major success has been in the mainland itself.

About three-fourths of Huadong's output is consumed in China, mainly at upscale hotels and trendy pubs. That is, when they can find the wine.

Production has been a problem, albeit a delightful one, according to Mr Lim.

Five years ago, production was 30,000 boxes, each containing 12 bottles. "Last year, we increased production to 100,000 boxes," he says. "This year, we should double that to 200,000 boxes, but still, it is not enough. I hope to take this winery to one million boxes."

Quite often, Huadong is simply sold out. It is quite a tribute to Mr Lim, who was working in a sewing factory until Mr Parry arrived from Hong Kong with his European vines. "I started from nothing. I had no knowledge at all."

Actually, Mr Lim was the typical Chinese consumer at that stage, he reckons. "Four or five years ago, people in China didn't really like wine. They thought it was too sour," he says. The winery mounted a series of promotions, including tastings in Chinese hotels. There has also been limited advertising. But the real change has been one of lifestyle. As incomes in China have spiraled upwards steadily since the reforms of the 1980s, so have consumer tastes. A nose for wine is only to be expected in a country that already brews 15 million tons of beer.

"We have been very successful," Mr Lim admits, "but I foresee great competition in the future. This market needs a lot of wine. We cannot satisfy that demand in the future. There must be a great deal of expansion."

That potential has been noted by numerous foreign firms, including Remy Martin and Pernod Ricard, which were both involved in early joint ventures in China.

Huadong Winery's partner is Hiram Walker Wines & Spirits (HK) Ltd., a subsidiary of the British Allied Domecq Group.

"Competition is fierce here, particularly for grapes. It's a clear case of demand exceeding supply," says Lincoln Sauer, an Australian who is serving as chief wine maker at Huadong this year under terms of a regular contract for foreign consolation. "It's getting difficult to find the grapes, especially the right quality."

China claims over 160,000 acres of vines nationwide, but much is in remote areas, like north of Tibet near Kazakhstan, where Silk Road traders brought seeds centuries ago. There is also a small native grape (*Vitus thunbergii*) which grows wild north of Shanghai. And Russian visitors brought plantings of Muscat and Ratsiteli, which form the backbone of the mainland's modern wine growing.

But, the future for wine making, most believe, is in Shandong Province, which lies, roughly along the same parallel as California's esteemed Napa Valley.

Already the region claims several reputable wineries between Qingdao and Yantai. The area is also the source of Laoshan mineral water, bottled near the 2,000-year-old Taoist temple that is a popular site of pilgrimage. Also nearby is Qufu, birthplace of Confucius, and Tai Shan, most sacred of China's mountains. Mao reportedly lumbered to the top, like a handful of emperors before him and watched a sunset. Afterwards, he proclaimed: "The east is Red!"

The Great Leader may be right again. Perhaps it was Cabernet he foresaw.

By Ron Gluckman ²⁰ /Qingdao, China

{design.gateway.net.hk/gluck/ChinaWine.html}

- **Soil and climate (weather)**

Shandong Peninsula is the biggest peninsula along the eastern coast of China. The sea provides for a more or less maritime climate. The longitude and latitude of Qingdao city is about 120° East and 36° North. The latter corresponds with the south of Spain or the middle of California.

²⁰ Ron Gluckman is an American journalist who has been based in Hong Kong for six years, but roams around Asia for various publications, including the Wall Street Journal.

The vineyards of this Winery are located on the mountain Laoshan outside Qingdao city. The viticultural conditions of the region are good. The accumulative sunshine is about 2200 hours per year; the average annual rainfall is 770 mm. The raining season is July till September (or between June and August ?). The climate is quite reliable with the last frost early April and the earliest frost at the earliest mid November. The average temperature is 12.2 °C, the extreme temperatures are -7 °C and 28 °C.

The company's vineyards are located in Laoshan, Pingdu and Laixi. (map)

Two East-West mountain ranges, Laoshan and Dazeshan, provide excellent drainage. The South East winds sweeping across the peninsula help in removing excess moisture. In winter the mountain ranges also shelter the vineyards from the very cold northerly, Siberian winds.

Now Shandong is the second vine-growing area in China, mostly on small fields, like in France. Formerly it was the largest area.

The areas available are good for vine growing, perhaps the best in China.

The harvest is close to the raining season.

- **Vines**

The grapes have a sugar content of 24%. The blooming is in April, when there can be night frost. There is no protection yet against frost. The vintage is September till October.

The Winery owns 69 ha (170 acre) of vineyard in the Pindu area. In the vineyard measures have to be taken to prevent oidium, white rot and ripe rot.

A lot of work has to be done on combatting insects and diseases. The Winery sets an example for scientific vine-care and wine-making. For expertise there is a cooperation with the Vine College, Northwest Agricultural University near Xi'an, Shaanxi Province. Also Australian experts are being used, e.g. Tony Cooke of Specialised Winery and Technical Services, Yenda, Rivernia, NSW, Australia. A lot had to be learned: - soil conditions, - grape planting, -wine processing, - marketing, - tasting.

For growing grapes of high quality farmers are being trained. For processing advanced techniques are being used. Parry introduced advanced management techniques.

In 1985 Huadong Winery imported 42,000 cuttings of 13 kinds of grape plants from France: Italian riesling, Chardonnay, Cabernet sauvignon, Cabernet franc, Chenin blanc, Sauvignon blanc, Gewürztraminer, Merlot, Gamay, Shiraz, Alicante, Grenache, Pinot noir.

The first 4 are being used for production, the others for experiments. It turned out that Alicante and Pinot noir are not suited; they are too much susceptible to rot. An experimental and demonstration vineyard of 13 ha (33 acre) is in front of the cellar (see pict. C19, C17, C22).

The vineyards are managed in accordance with the international standards. The company engages Transpac, Australia, as consultants for viticulture and wine-making technology. A professor from Charles Sturt University acts as consultant for viniculture. The Shandong Vine & Ecology Research Institute (place ?) is the coordinator for the management in the vineyards.

? number of plants per ha ?; number of hl per ha ?

? harvest and transportation of grapes ?

? developments; plans ?

- **Processing**

See the production flow-chart.

The production equipment is of high quality. The destemmer is manufactured by Vaslin, France: the press is a Willmes, Germany (see pict. C24, C28, C29).

During the processing there is no malolactic fermentation (MLF). The yeast used for the fermentation is a cultivated type, coming from Australia. The fermentation is temperature controlled, 13-15°C for 2-3 weeks.

The winemaking team consists of local and Australian winemakers. During each production season wine-makers from great Australian wineries come to Qingdao. During the quiet seasons Chinese winemakers are sent to Australia for further education and practical training.

With respect to health aspects there is a government inspection. The quality inspection is being done by the Winery.

Environmental facilities include the following: "... a waste water treatment pool and an oxygen pond to purify the waste water in accordance with the international standards. After treatment, now, the waste water can be used to irrigate vineyards, and the waste residues are used to fill ditches. A total of almost 2,000 trees have been planted around the company. A reservoir, flower ditch, willow ditch, black pine ditch, as well as a vine ditch have also been constructed to beautify the surroundings and the production environment. ..."

? selection ?

? preparation ?

? filtration ?

? quality checks ?

? plans ?

? technical; management ?

- **The products**

This was the first company in China that produced both varietal and vintage wines. The products are the following wines; see the labels and contra-labels:

- Huadong Tsingtao Chardonnay; dry

made from 100% Chardonnay grapes

processing: in 1994, 1/5 of the Chardonnay blend matured in wood for 6 months (see pict. C27) and was afterwards blended with Chardonnay that was stored in tanks.

alcohol contents 12%

sulphur contents ...

(tasting notes later)

- Huadong Tsingtao Riesling; dry

made from 100% Riesling grapes

processing, cf. production flow-chart

alcohol contents 12%

sulphur contents ...

(tasting notes later)

sulphur < 150 ppm

white: 20-30 ppm tot.

red: 100-150 ppm tot.

- Huadong Pink

made from ... grapes

- processing ...
- alcohol contents 11%
- sulphur contents ...
- (tasting notes later)
- Huadong Gamay
 - made from 100% Gamay grapes
 - processing, cf. production flow-chart
 - alcohol contents 11%
 - sulphur contents ...
 - (tasting notes later)
- planned: dry red wine (Cabernet sauvignon)

- **Marketing**

"Huadong Winery is the first winery in China producing and exporting both varietal and vintage wines. The Chardonnay is fresh, fruity with a touch of new oak and has a long & butterly aftertaste with depth & complexity. Its rich and full flavours are ideal with seafood, white meat and even spicy dishes."

80% of the production goes to the local market: to star hotels and premium restaurants. The Winery sells on a cash-on-delivery basis.

15% is exported to: France, Italy, UK, The Netherlands, Finland, Belgium, Norway, USA, South East Asia. In percentage the export has decreased, as China is drinking more wine.

The demand exceeds the supply. Increase of production is hampered by a lack of suitable grapes.

The Winery earned:

- more than 10 Chinese medals and awards;
- gold medal 'Monde Selection' 1989, Brussels;
- silver medal 'Vinexpo' 1991, Bordeaux; (1987.06?)
- New York Wine Experience.

All products have been awarded the titles:

- 'Famous Product', by the Qingdao Government;
- 'Green Food', by national authorities.

? local market ?

? export ?

? awards and medals ?

? plans ?

- **Documentation available**

- Huadong Winery. Product brochure. 18 pp.
- Huadong Winery. Collection of reprints on the Winery (partly in Chinese). 24 pp., including:
 - The fact sheet on Huadong Winery Co., Ltd.
 - Ching Poh Tiong. Huadong Tsingtao, China's premier winery. The Wine Review, Jan. 1995, p. 6 ff.
 - Heselwood, J. Winning Winery. Wine and Spirit International Asia Pacific, Aug. 1995, p. 47.
 - Sinclair, K. A hard-won harvest. The Executive, ...

- Huadong Winery (199.). At last a Vintage Wine from China [in Chinese:]. loose leaf edition.
- Huadong Winery (1994). East China Beautiful Wine [in Chinese: Hua Dong Mei Jiu]. 176 pp. ISBN 7-5011-2700-x

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Hen hao, xiexie ni !

Key-data sheet

Sino-Foreign Joint-Venture Huadong Winery Co., Ltd.

[Huadong putao niangjiu youxian gongsi]

or: East China Winery Co. Ltd.

or: Huadong Winery Co. Ltd.

established: 1985; first production 1986
owners: joint venture:
- Qingdao Huaguan Wines & Spirits Corporation (formerly:
Tsingtao Winery) (50%)
- Shandong Food Import & Export Corporation (10%)
- Hiram Walker Allied Vintners, Hongkong Ltd (40%), subsidiary
of Allied Domecq Spirits & Wine Ltd, UK
manager: Lin Ke Qiang
personnel: 1995: 46
sale/year: 1995:
profit/worker: 1995:
investment: 1995:
fixed assets: 1995:
capital: 1995:
size vineyards: winery: 12 ha
delivering farmers: 160 ha
grapes: Chardonnay; Italian riesling; Cabernet sauvignon; Cabernet franc;
Gamay
products: - Huadong Tsingtao Chardonnay; dry
- Huadong Tsingtao Riesling; dry
- Huadong Pink
- Huadong Gamay
- planned: dry red wine (Cabernet sauvignon)
quantities: 1995: 900 ton
local market: 80%, to star hotels and premium restaurants
export: 15%, to France, Italy, UK, The Netherlands, Finland, Belgium,
Norway, USA, South East Asia
honours: see text

5.8 Great Wall Wine Company, Ltd. ²¹

old name: Shacheng Winery

Shacheng (Huailai), Hebei province

- **History**

In 1949 this company was reestablished under the name 'Shacheng' out of a former liquor manufacturing company. Since 1960 grape wine is being produced.

In 1973 a study under the title: 'Study on the Techniques for Dry Wine' was started on the feasibility to enlarge the wine production in Shacheng. This study was made by the China National Cereals, Oils & Foodstuffs Import & Export Corporation (CEROF), and from 1974 on also in cooperation with the Ministry for Light Industry and some associated research institutes.

This resulted in:

- the conclusion that Shacheng is a very suitable wine-producing area, and
- the stimulus to promote wine production in this area.

The investments and technical support came particularly from the Ministry of Light Industry, but also from the Ministry of Foreign Economic Relations and Trade (MOFERT), research institutes, Hebei Province, the Zhangjiakou Municipality, as well as CEROF. The first dry white wine was produced in 1977. (from Löwenstein, p. 35).

1979 - acquisition of capital and know-how; first Chinese wine joint venture:

- CEROF;
- Yuanda, Hongkong

1981 - name: Great Wall Wine Company

1983 - word-wide market

In 1981 the name was changed to Great Wall Wine Company Ltd. (GWGC) and the wine department to GWWC - Shacheng Winery.

In 1983 (1979 ?; Lö., p.59) a joint venture was established under the name of China Great Wall Wine Company Ltd.; cf. Section 5.9

- **Soil and climate (weather)**

Located north-west of Beijing, north of the Great Wall. The area is watered by the Sanggan He and the Yang He (he=river), and by the Granting reservoir. It is 700 m above sea level.

The soil consists of sand; there is not too much rain, 400 - 450 mm/year.

The days are warm and the nights cool; the temperature differences between day and night can be 12 - 15°C; the number of hours sunshine per year is 2,900 - 3,100. (Lö., p.59)

²¹ Unless specified otherwise this material is based on: - the visit of the author to the Great Wall Wine Company, Ltd. and the China Great Wall Wine Company, Ltd. as specified under 'acknowledgements'/Appendices; - the material mentioned at the end of this section under 'Documentation available'.

- Vines

Early in the eighties the area of Longyan (Dragon eye) grapes was extended. Now these grapes are cultivated at about 7,000 ha, with a yearly harvest of over 100.000 ton.

Also 50,000 plants, representing 13 grape varieties, were imported from Germany and planted in the vine nursery of the company. (when ?)

The Longyan grapes grow in large bunches, have a rather dark colour, and can produce up to 23% sugar contents.

? number of plants per ha ?; number of hl per ha?

? disease prevention ?

? harvest and transportation of grapes ?

? developments; plans ?

? local and foreign expertise ?

? technical; management ?

- Processing; cf. production flow-chart

Imported equipment: some Swedish machines, filters from Seitz (Germany), a bottle-filling station (Germany).

? selection of incoming grapes ?

? preparation ?

? fermentation; natural or cultivated yeast ?

? temperature control, etc. ?

? filtration ?

? quality checks ?

? plans ?

? local and foreign expertise ?

? technical; management ?

- Products

distilled products, alcohol extracts, wines (since 1960)

all together more than 40 different products, including sparkling wine (since 1978)

quantities produced: 1983: 3,000 ton; 1985: 10.000 ton; 1995: ?

- Great Wall, wit, gemaakt van Longyan (drakenoog) druiven.

- Marketing

? local market ?

? export ?

? awards and medals ?

? plans ?

- Documentation available

cf. section 5.9 on the China Great Wall Wine Company Ltd.

Key-data sheet

Great Wall Wine Co.

old name: Shacheng Winery

established: 1949, from a former liquor manufacturing plant

owner:

manager:

personnel: ca. 1982: 1,600, including the China Great Wall Wine Co. Ltd

sale/year:

profit/worker:

investments:

fixed asset:

capital:

size vineyards:

grapes: mostly Longyan (Dragon eye)

products: distilled products, alcohol extracts, wines (since 1960)

all together more than 40 different products, including sparkling wine
(since 1978)

quantities: 1983: 3,000 ton

1985: 10.000 ton

1995:

local market:

export:

honours:

5.9 China Great Wall Wine Company, Ltd.²²

[Zhongguo Changcheng Putaojiu Youxian Gongsi]

Shacheng, Huailai County, Hebei Province (North-west of Beijing)

- *History*

China Great Wall Wine Company Ltd. is located at the foot of the Great Wall with its main office building next to the Guanting Lake. It is a Sino-foreign joint venture which specializes in manufacturing and marketing various types of wine. The company was set up in 1983 and has registered capital of 19.39 million yuan and fixed assets of 81 million yuan. The facilities have an annual capacity of 10,000 tons of products.

The company uses modern wine producing equipment imported from France, Germany and Italy. It has 1375 twenty-ton storage vessels capable of holding 30,000 tons.

The company was established in 1983 and it belongs to the top 500 largest foreign investment enterprises. The facilities cover an area of 140,000 m² and a total floor space of 69,000 m². The production capacity is 10,000 ton per year.

The total staff consists of 670 people, including 112 professional technical staff, 8 senior engineers, 2 members of the China National Wine Appraising Association and 1 member of the International Wine Appraising Association, committees for the evaluation of alcoholic beverages.

The fixed assets are reported as: 81 million RMB (1995), the capital as: 19.4 million RMB (1995).

- *Soil and climate (weather)*

See the notes on the Great Wall Wine Company Ltd.

- *Vines*

The company itself has 1125 mu of vineyards where over ten different world famous varieties of wine grapes are grown, each of which can be used to produce single variety, high quality wines. The company is in an area which boasts an abundant supply of high quality Dragon eye grapes, representing a good supply of raw material for use in wine making.

The company has vineyards of 75 ha, with more than 16 famous varieties of vine grapes. It co-manages an additional 6,660 ha of vineyards at the foot of the ancient Great Wall range and at the bank of the Guanting reservoir. The area produces an ample supply of grapes; 150,000 ton annually.

Capacity for intake of grapes: 40 ton per hour. 1/3 of the grapes is Longyan (Dragon eye).

? number of plants per ha ?; number of hl per ha?

²² Unless specified otherwise this material is based on: - the visit of the author to the Great Wall Wine Company, Ltd. and the China Great Wall Wine Company, Ltd. as specified under 'acknowledgements'/Appendices; - the material mentioned at the end of this section under 'Documentation available', as well as: - www.cbw.com/business/invest/yhb4/wine.htm; 1997.04}

- ? disease prevention ?
- ? harvest and transportation of grapes ?
- ? developments; plans ?
- ? local and foreign expertise ?
- ? technical; management ?

- **Processing**

The company employs advanced production techniques. The production facilities are well mechanized, monitored and computer controlled.

The wine producing equipment is imported from France, Germany and Italy, e.g. a plunger press: Egretier, France; separator: Padovar, Italy; a bottling line with a capacity of 5,000 bottles per hour from Italy, a bottling line with a capacity of 10,000 bottles per hour from Germany.

The fermentation tanks consist of 92 tanks, stainless steel, each 21 ton; total 2,000 ton. Oak barrels have been imported from France and the USA.

The storage capacity consists of:

- 141 concrete tanks of 31 ton each
- 1375 containers (3 x 3 x 3 m³) with cooling (Italian);
1 layer below ground-level, 2 layers above.

Total storage: 32,000 ton, the biggest in China.

- ? selection ?
- ? preparation ?
- ? fermentation; natural or cultivated yeast ?
- ? temperature control, etc. ?
- ? filtration ?
- ? quality checks ?
- ? plans ?
- ? local and foreign expertise ?
- ? technical; management ?

In 1998 plans were announced to start the construction of a 30,000 ton dry red wine production facility that was approved by the State Development Planning Commission. The project was the largest of its kind in China. The majority of Chinese-made dry red wines are now processed from imported grapes, and this project is intended to make the country more self-sufficient in grape wine production. The 660 million yuan investment in the winery will be provided solely by China Great Wall Wine Company.

The company has a research team with strong technical abilities. The team worked with the Food Fermentation Industry Research Institute of the National Light Industry Association on a project titled: 'Research on new technology for dry white wine'.

Also the research team independently carried out another project: 'Development of Technology in Sparkling Wine (Methode Champenoise)', a part of the 'Spark Program' in the State's Seventh 5-year plan.

- Products

Great Wall Wine now consists of eight lines of wine: dry, medium sweet, sweet, fragrance-adding, sparkling, distillation, and compounding, comprising over 40 different varieties to match the needs of all consumers. Great Wall Dry White Wine and Great Wall Medium Sweet White Wine, which have become famous on the domestic market, have won the gold or silver prize in their class from Chinese and international alcoholic beverage evaluation committees a total of 14 times (1996). In addition, the quality of these products is up to world standards and they have been called "Typical Oriental Fine Wine " by American and European experts.

Great Wall Dry White, Medium-dry Wine, Medium-Sweet Wine, Dry Red Wine, Rose Wine, Sparkling Wine have been recognized as "Green Food" by the China Green Food Development Center.

Great Wall Dry White Wine, won a first prize as the brand seen as best by the general public and the brand with greatest actual sales in the '94 National Investigation of Competitiveness and a first prize in 1995 as the first pick product or brand and it was recognized as a famous-brand product in China.

Great Wall Dry White Wine, Sparkling Wine, Merlot Dry Red Wine, Chenin blanc Dry White Wine and other ten more varieties have won gold, silver or bronze prizes or prizes for excellence, more than 50 times in international, national, National Light Industry Association and Hebei Province competitions or evaluations. These varieties are marketed in 20 different countries or regions of the world, including the U.S.A., the U.K., Japan and France, and sell well in 29 provinces, autonomous regions and municipalities directly under the central government in China, receiving the acclaim of hundreds of thousands of satisfied consumers.

The company recognizes 33 different brands of wines in 8 categories:

- dry wine
 - medium-dry wine
 - medium-sweet wine
 - sweet wine
 - fragrance-added wine
 - sparkling wine
 - distilled products
 - compounded products,
- a total of 40 different products.

Technical data of the wines

| wine: | grapes: | alcohol: % | sugar: g/l | acidity: g/l (H ₂ SO ₄) | pH: | sulphur: SO ₂ mg/l |
|--------------------------------|--------------------------|---------------|---------------|---|-----|----------------------------------|
| - white, dry | Longyan | 11 | . | . | . | . |
| - white, Longyan medium dry | | 11 | . | . | . | . |
| - white medium sweet | Longyan | 11 | . | . | . | . |
| - red, dry | Merlot Cabern.sauv. | 11 | . | . | . | . |
| - rose | Zinfandel | 11 | . | . | . | . |
| - sparkling | Chardonnay Pinot noir | | | | | |

- Marketing

Marketed:

- in 29 provinces, autonomous regions and municipalities directly under the central government;
- in 20 different countries and regions of the world, including Britain, France, USA, Germany, The Netherlands, Japan, Singapore.

Prizes and recognitions obtained include:

Great Wall -

| | | | | |
|---------------------------------|----|----|----|----|
| - - dry white wine | 1) | 2) | 3) | 4) |
| - - chenin blanc dry white wine | | | | 4) |
| - - medium-dry white wine | | 2) | | |
| - - medium-sweet white wine | 1) | | | |
| - - medium-sweet wine | | 2) | | |
| - - dry red wine | | 2) | | |
| - - merlot dry red wine | | | | 4) |
| - - rose wine | 2) | | | |
| - - sparkling wine | | 2) | | 4) |
| - - other products | | | | 4) |

- 1) the most famous and up to world standards. They have won a total of 14 gold and silver prizes at international and Chinese competitions; the dry white wine in 1979, 1984, 1989, 1995 and 1997.
- 2) recognized as 'Green Food' by the China Green Food Development Center.
- 3) the first prize as the brand seen as best by the general public, and the brand with the greatest actual sales in the '94 National Investigation of Competitiveness; the first prize in 1995 as the first pick product or brand, and was recognized as famous-brand product in China.
- 4) gold, silver or bronze prizes; prized for excellence more than 50 times in international, national. National Light Industry Association and Hebei Province competitions.

The company can be characterized as follows:-

- it has entered the ranks of the 500 largest foreign-invested firms that started in China;
- it has been judged to be among the top 500 manufacturers in China in terms of economic performance;
- it has been among the 500 best light industry enterprises in China.

Also it was judged as a technologically advanced enterprise by the Ministry of Foreign Trade and Economic Cooperation, as well as a technology leader among enterprises by Hebei Province.

- Documentation available

Brochures:

China Great Wall Wine Company Limited

Books:

Zhu Bao Yong, editor (1995). Grape Wine Industrial Handbook

[in pinyin: Pu Tao Jiu Gong Ye Shou Ce]. Beijing, 761 pp.

ISBN 7-5019-1307-2

(copy received from the Great Wall management; sincere thanks!)

Löwenstein, A. (Andreas) (1991). Viniculture in the People's

Republic of China [in German: Weinbau in der Volksrepublik China]. Saarbrücken

--> , Verlag Rita Dadder. ISBN 3-926406-57-7

- Acknowledgement:

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- to the China Great Wall Wine Co. Ltd.

for providing information and hosting us in such a friendly way.

Hen hao, xiexie ni !

Key-data sheet

China Great Wall Wine Co. Ltd.

[Zhongguo Changcheng Putaojiu Youxian Gongsi]

Shangcheng, Huailai County

established: 1983
owners: Sino-foreign joint venture; partners:
- Zhangjiakou Great Wall Wine Company
- China National Cereals, Oils and Foodstuffs Import and Export Corporation CEROF
- Yuen Tai Trading Company, Ltd., Hongkong
manager: Mr. He Xiu, General Manager
Mr. Zhao Quanying, Executive Vice- General Manager
Mr. Xi Dezhi, Ms. Tian Yali, Ms. Han Yuxia, Vice-General Managers
personnel: 1995: 630
sale/year: 1995: ...
profit/worker: 1995:
investments: 1995: 31.9 million RMB
fixed assets: 1996: 81 million RMB
capital: 1995: 19.4 million RMB
size vineyards: 75 ha (1125 mu)
grapes: Longyan (Dragon-eye); totally more than 10 different varieties
products: - Great Wall white wine [Changcheng bai putaojiu]:
. dry
. medium dry
. medium sweet
- fragrance added
- sparkling
- distilled products
quantities: 1995: 10,000 ton
local market: 85 %
export: 15 % to 20 countries, including Britain, France, USA, Germany, The Netherlands, Japan, Singapore.
honours: see text

5.10 Sino-French Joint-Venture Dynasty Winery Ltd. (SFJVDW) ²³

[Zhongfa heying putao niangjiu gongsi]

or: Dynasty Winery

Tianjin (at Bo Hai Gulf)

- *History*

Dynasty was established in 1980. It is the earliest winery joint-venture in China.

The joint venture has the following partners and percentages of participation:

- Rémy Martin (Far East) Ltd., part of the Rémy Martin Group, France (33%);
- Municipal Tianjin Winery (62%);
- INTTRA (International Trade and Technology Research Associates), Hongkong (5%)

The technical cooperation on vine-culture and wine-processing is with Remy Martin. Till 1987 the foreign advisors at the site have been Mr. & Mrs. Pierre and Sophie Delair, both eunologists, and after 1987 Mr. Horacio Reyner Portes Gill. In 1996 Mr. Delair (tasting expert; wine & spirit technical advisor from Rémy Martin, Cognac City, France) was still visiting the Tianjin Winery regularly.

The investment is reported as: 1980 - 1.37 million RMB; 1994 - 45.18 million RMB.

Originally the cooperation agreement had a duration of 11 years; this has been extended to 21 years. The joint venture developed very fast, as testified by the following numbers:

| year: | 1980 | 1995 |
|-------------------------------|-------------|---------------|
| sales (million RMB): | 1.37 | more than 100 |
| production (bottles of wine): | 100,000 | 13 million |
| number of personnel: | 13 | 130 |

The facilities available include an office building (picture B9), a spacious production building with space for at least another production-line (pict. A22 & A24), storage and auxiliary buildings. In spring 1996 a 10,000 ton warehouse was being built.

On the premises there is a monumental Chinese gate, as well as a statue of the general Zhang Qian who brought the *Vitis vinifera*-grape to China in 128 BC (pict. B7 & A36). There also is an experimental vineyard (pict. A21).

- *Soil and climate (weather)*

The latitude of Tianjin is about 39°North, which corresponds to the middle of Spain. It is situated on Bohai Bay, resulting in a maritime type of weather.

²³ Unless specified otherwise this material is based on: - the visit of the author to the Sino-French JV Dynasty Winery as specified under 'acknowledgements'/Appendices; -the material mentioned at the end of this section under 'Documentation available'.

- ? soil conditions; chemical analysis ?
- ? structure of soil, water drainage ?
- ? weather; frost, rain, sunshine, average temperature ?

- **Vines**

The grapes being used were originally: Long yan (Dragon eye) and Muscadet, the latter imported from Bulgaria in 1958.

Now they are: Hamburg muscat; Welch-(Italian)riesling; Carignan; Bai yu (Rkatsiteli); Chardonnay; Cabernet sauvignon. The vines are ungrafted; there is no Phylloxera.

The grapes used in production originate partly from their Dynasty vineyards (66 ha), and they are bought partly from farmers. The northern part provides the Riesling, the mountainous area gives Chardonnay, the Cabernet sauvignon comes from Shandong. In the vineyards there is oidium prevention.

During harvest the sugar contents of the grapes should be 170 - 180 g/l.

The bunches of grapes are transported to the winery in plastic cases/trays, in order to prevent damage of the grapes (pict. A33).

- ? grapes; areas ?
- ? number of plants per ha; number of hl per ha ?
- ? prevention of other diseases: anthracnose, mildew, dead arm, white rot, bitter rot ?
- ? harvest of grapes; around what date, who determines the date ?
- ? developments; plans ?
- ? local and foreign expertise available ?

- **Processing**

For the outline of the production see the production flow-chart.

First there is a selection of the grapes.

Next a light pressing is applied, then filtering of the juice.

The stainless steel fermentation vessels are temperature controlled, using a computer; the fermentation takes 10 - 15 days, at a temperature of 18°C (pict. A32). Then follows, by means of a pump (Imca), a bacteria-removal filtering.

The wine is stored at constant temperature.

The bottling line is manufactured by la Girondine; it has a capacity of 12,000 bottles/hour. The bottles are cleaned with SO₂, then with water and then dried.

The corks, coming from Australia, are cleaned (pict. A25). The air in the bottle above the wine is replaced by CO₂. Then there follows a visual inspection (pict. A26). The capsules are put on by hand and stamped automatically with batch number and date (pict. A27). The labels are put on the bottles by a machine, which is manufactured in China (pict. A29).

Next there is manual paper wrapping, in order to protect the label (pict. A28).

Quality control: a chromatograph, 8 components, Alliance Instruments (\$ 100,000) is available.

In 1996 there was a plan to build a 10,000 ton warehouse.

- ? selection of grapes; destemming ?

Dynasty Builds China's Largest Red Wine Dynasty
Dynasty Builds China's Largest Red Wine Dynasty

Dynasty Wine Co., Ltd. has built up China's largest red wine juice processing base. The company began to plant 666.67 ha. of grapes from 1997 and imported high-grade strains from France. After two years' construction, the grape base was completed. The company also opened a juice plant. It cooperated with Jixian Development Company in opening a juice company involving an investment of 80 million yuan. The joint venture will have a comprehensive production capacity of 11,000 tons. This year it is expected to provide 1,500 tons of red grape juice.

(10/29/1999)

{<http://ce.cei.gov.cn/einv/d32i0k03.htm>}

Sino-French Dynasty Wine

By staff reporter LI YANG

WHEN asked about the history of Dynasty Wine, Gao Xiaode, general manager of the Sino-French Dynasty Wine, recalls, "In the very beginning, we were just an unknown winery subordinate to the Tianjin Agriculture Bureau." Today, Dynasty wine is known throughout the world, and the corporation ranks among the world's most famous wine companies.

The transition to fame happened in 1980 when Dynasty began working with the French Remy Martin Group. Remy Martin, the first international winery to come to China, was at first worried about Chinese policies and markets. But, moved by Dynasty's warmth and honesty, the Remy Martin Group agreed to forge a joint venture and form the Sino-French Dynasty Wine Corporation. The corporation was the first Sino-foreign joint venture in Tianjin and the second in China.

The joint venture could exploit the market by taking advantage of the Remy Martin trademark. Gao Xiaode says, "Using the trademark saved us a lot of trouble. It guaranteed us a good market and fewer advertising expenses. The only problem was that we had to depend on our French partner. The more the joint venture developed, the more dependent we became. We feared that at one point, the French would control us completely."

According to the agreement, the Chinese held more than 50 percent of shares of the joint venture, and the French were responsible for the export of all products. In the international market, Dynasty was first registered under the Remy Martin Group. Then, once established, the trademark was transferred to the Dynasty corporation.

Taking advantage of Remy Martin's global sales network, Dynasty was not only established in the world market, but also gained an instant high reputation. When the French experts returned to France, Chinese managing personnel took up all the work. Product quality remains as good as ever, and some progress has been made. One international liquor valuator believes that the combination of the French technology and China's management has created a true "dynasty" in wine making.

Gao says, "Our enterprise spirit is very simple: we keep a clear head in the face of disaster, and we are glad to accept criticism. The market is very fair -- it gives you and your contenders equal opportunities."

Recently, China's wine market has grown increasingly prosperous. Fierce market competition has resulted in a decreased number of wineries, from 600 to 300. Undoubtedly, such a decrease is good news for Dynasty since the corporation now controls over 50 percent of the wine market. Dynasty's output has reached 22.46 million bottles per year and has won 14 international golden prizes. A wine dynasty is truly emerging in China.

{<http://www.china.org.cn/ChinaToday/ct99/99-11/ct99-11e-06>}

- ? fermentation; natural or cultivated yeast ?
- ? filtration 0.5 μ 1.0 μ ... ?
- ? prevention of oxydation operation ?
- ? quality checks ?
- ? plans ?
- ? local and foreign expertise ?
- ? technical; management ?

- **The products**

The products include the following Dynasty wines [Wang chao putaojiu], cf. the labels and contra-labels:

- Extra dry white wine;
- Medium dry white wine:
 - made from the grape varieties: Hamburg muscat; Welch-(Italian)riesling; Carignan;
 - the emphasis in the production is shifting from medium dry to dry white wine;
 - alcohol contents: 12%
 - sulphur contents: 6.5 - 7 g/l
 - provided Rhine-style bottles of 0.75 l and 0.2 l (for airplane servings)
 - So far the best quality wine was made in 1989.
 - (tasting notes later)
- red wine:
 - made from Cabernet sauvignon grapes
 - processing in the 'Bordeaux-style'
 - alcohol contents: 12%
 - provided in Bordeaux-style bottles of 0.75 l
 - (tasting notes later)
- rosé wine:
 - made from Carignan grapes
 - processing includes crushing of the grapes, pulp-mixing, short-term soaking, temperature controlled fermentation
 - alcohol contents: 12%
 - provided in Bordeaux-style bottles of 0.75 l
 - (tasting notes later)
- sparkling wine, champagne type:
 - made from Chardonnay and Italian riesling grapes
 - processing according to the Methode Champenoise, first fermentation in tanks, second fermentation in bottles (pict. A31 & A30), storage for over 2 years. This sparkling wine is being produced since 1991; 10,000 - 20,000 bottles/year.

(tasting notes later)

Also brandy/cognac are being produced:

made from Ugni blanc grapes

double distillation in an alembic, made by Mareste (pict. A34 & A35)

storing in oak barrels, imported from Limoge, France (VSOP - 5 years or more; Napoleon - more than 7 years; XO - more than 10 years)

- **Marketing**

The quantities produced have developed as follows:

| | | |
|-------|-----------------|----------------------|
| 1980: | 100,000 bottles | 75 ton |
| 1984: | 400,000 - | 300 ton |
| 1985: | 700,000 - | 525 ton |
| 1987: | 1 million - | 750 ton |
| 1995: | 13 million - | 9,750 ton |
| 2000: | | expected: 30,000 ton |

In 1996 the local market absorbed 90% of the production. The company claims to have 50% of the dry white wine market in China; this includes the use as state banquet wine, as well as the use by embassies/consulates as customers.

In 1996 the export was about 8 - 10% of the production, i.e. \$ 2 million --> 16.6 million RMB. The products go to more than 20 countries and regions, including: USA, Britain, Canada, France, Japan, Australia, Singapore, Malaysia, Denmark, Finland, Sweden, Hongkong, The Netherlands, Macao.

Many honours have been received since 1984, including:

- 14 international gold medals
- 8 national gold medals
- Grand-gold medal
- 1992 'Trophy of International High Quality', Brussels
- the distinction: 'no pollution, no public harm, no diseases, nutritious green food'
- 1992: represented Tianjin as inspector of the International Wine Bureau (IOV)
- 1994: outstanding entrepreneur in China.

- **Documentation available**

- Dynasty (1995). Century-born Dynasty Wine. [partly in Chinese]. 72 pp.
- Löwenstein, A. (Andreas) (1991). Viniculture in the People's Republic of China {in German: Weinbau in der Volksrepublik China}. Saarbrücken --> Weimar, Verlag Rita Dadder. 139 pp. ISBN 3-926406-57-7

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Hen hao, xiexie ni !

 Key-data sheet

Sino-French Joint-Venture Dynasty Winery Ltd. SFJVDW

[Zhongfa heying putao niangjiu gongsi]

or: Dynasty Winery

established: 1980

 owner: joint venture:
 - Remy Martin (Far East) Ltd. (33%);
 - Municipal Tianjin Winery (62%);
 - INTTRA, Hongkong (5%)

manager: Xu Wen Heng

personnel: 1994: 130 people

sale/year: 1994: 120 million RMB

profit/worker: 1994: 574,000 RMB

investment: 1994: 45.18 million RMB

fixed assets: 1994: 9.21 million RMB

 branches: production: 3
 offices in China: 15
 offices abroad: France, USA

size vineyards 66 ha

 grapes: Hamburg muscat; Welch (Italian)Riesling; Carignan; Bai yu
 (Rkatsiteli); Chardonnay

 products: Dynasty wines [Wang chao putaojiu]:
 - white, dry
 - white, medium dry
 - rosé
 - sparkling (champagne type)
 - red
 - brandy, cognac

quantities: 1995: 13 million bottles 10,000 ton

local market: 1995: 90% of production

export: 1995: 8 - 10%; \$ 2 million --> 16.6 RMB

honours: see text

5.11 Beijing Eastern Winery

[1]

The Great Harmony

It is a continuation of a vinery of the Franciscane priests, in cooperation with German experts.

Joint venture: planned, with Pieroth Weingut Weinkellerei GmbH, Germany ?

established: ? first presentation of wines 1986

products:

- Chinese Riesling
- Great Harmony [Taihe bai putaojiu]
dry, medium dry, sweet

1984 - delegation from Germany

Produkt:

- Great Harmony (Taihe bai putaojiu), droog, halfdroog, zoet

nog geen JV ?

Key-data sheet

Beijing Eastern Winery

[Beijing dongjiao putaojiu chang]

East Beijing
tel: +86.
fax: +86.

established:

owner:

manager:

personnel: 1995:

sale/year: 1995:

profit/worker: 1995:

investment: 1995:

fixed assets: 1995:

capital: 1995:

size vineyards:

grapes:

products: - Chinese Riesling
- Great Harmony [Taihe bai putaojiu]
dry, medium dry, sweet

quantities: 1995:

local market:

export:

honours:

5.12 Tian Ma Wines & Spirits Co. Ltd.

Martell, Fr.

Druiven: Muskaat, Longyan (drakenoog), Baiyu (witte jade)

Produkt:

- Summer Palace

Key-data sheet

Tian Ma Wines & Spirits Co. Ltd.

[...]

established:

owner: joint venture

owners: -Tian Ma Wines & Spirits Co. Ltd.
- Martell et al. ?

personnel: 1995:

sale/year: 1995:

profit/worker: 1995:

investment: 1995:

fixed assets: 1995:

capital: 1995:

size vineyards:

grapes: Muscat; Longyan (Dragon eye); Baiyu (White jade)

products: Summer Palace [Xiagong putao baiju]

quantities: 1995:

local market:

export:

honours:

5.13 Summer Palace

Key-data sheet

Summer Palace

[...]

established:
owner:
manager:
personnel: 1995:
sale/year: 1995:
profit/worker: 1995:
investment: 1995:
fixed assets: 1995:
capital: 1995:
size vineyards:
grapes:
products:
quantities: 1995:
local market:
export:
honours:

5.14 Zhengzhou Brewery

Zhengzhou, Henan Province

Key-data sheet

Zhengzhou Brewery

[...]

Zhengzhou, Henan Province

established: 1964
 owner: regional government
 manager: Huang Qingbo
 personnel: 1993: 985
 sale/year: 1993: 41.50 million RMB
 profit/worker: 1995:

investment: 1995:
 fixed assets: 1995:
 capital: 1993: 30.11 million RMB

size vineyards:

grapes:

products: beer; wine; fruit-wine

quantities: 1995:

local market:

export:

honours:

5.15 Marco Polo Winery

Yantai

Key-data sheet

Marco Polo Winery

[...]

established:

owner:

manager:

personnel: 1995:

sale/year: 1995:

profit/worker: 1995:

investment: 1995:

fixed assets: 1995:

capital: 1995:

size vineyards:

grapes:

products:

quantities: 1995:

local market:

export:

honours:

5.16 Yunmont

Key-data sheet

Yunmont

[...]

established: 1994
 owner: joint venture
 manager:

personnel: 1995:
 sale/year: 1995:
 profit/worker: 1995:
 investment: 1995:
 fixed assets: 1995:
 capital: 1995:

size vineyards:
 grapes:
 products:
 quantities: 1995:

local market:
 export:

honours:

"Op 1994.04.14 heeft Plaimont een joint-venture gecreëerd in China onder de naam 'Yunmont'. 55% van het kapitaal is Frans, beheerd door Pierre Grangé (Adjunct Directeur van Plaimont).

Plaimont gaf de voorrang aan Zuidoost Azië daar er 1,2 miljard Chinezen en 3,5 miljard Aziatische personen zijn, en dit continent 40% van de mondiale rijkdom bezit ... en 60% van de wereldbevolking vertegenwoordigt ..."

5.17 Zhenjiang Hengshun Governmental Soysauce-Vinegar Works

Zhenjiang, Jiangsu Province

Key-data sheet

Zhenjiang Hengshun Governmental Soysauce-Vinegar Works

[...]

Zhenjiang, Jiangsu Province

established: 1840
 owner: regional government
 manager: Ma Yonglin
 personnel: 1994: 718
 sale/year: 1994: 49.67 million RMB
 profit/worker: 1995:
 investment: 1995:
 fixed assets: 1995:
 capital: 1994: 25.56 million RMB
 size vineyards:
 grapes:
 products: soy-pickles; vinegar; soy-sauce; wine;
 quantities: 1995:
 local market:
 export:
 honours:

5.18 Zhongshan Meiyile Food Producers

Zhongshan, Guangdong Province

Key-data sheet

Zhongshan Meiyile Food Food Producers

[....]

Zhongshan, Guangdong Province

established: 1958
 owner: regional government
 manager: Liu Haitian
 personnel: 1993: 1170
 sale/year: 1993: 166.65 million RMB
 profit/worker: 1995:
 investment: 1995:
 fixed assets: 1995:
 capital: 1993: 82.15 million RMB
 size vineyards:
 grapes:
 products: starch; icecream; wine
 quantities: 1995:
 local market:
 export:
 honours:

5.19 Tong Hua Winery; China National Cereal and Foodstuff Import and Export Corp.

Jilin Province

The Napa-based winery is wrapping up its first overseas joint-venture contract with Tong Hua Winery in China's Jilin province. The company aimed to start distributing Martini wines early 1997 and work later to transform the country's largest wine cellar into a premium producer. The products will be aimed primarily for the Chinese domestic market, moving gradually into exports to other Asian markets.

This is the first joint venture ever for a U.S. winery in China's grape wine market and a major coup for Martini, according to Jay Rothstein, president of San Francisco -based ChinaVenture Advisors, who helped set up the project. "You can't fathom the number of American companies that go to China trying to set up a joint venture," Rothstein said. "But there's never been a wine joint venture between the United States and China that has been approved."

This one has a key advantage: a prominent joint venture partner. The state-owned Tong Hua is one of Asia's largest wine cellars, producing roughly 1 million cases per year of "high-end commercial" wine -- the equivalent of our \$3 bottle wines. Its main competitors are Great Wall Winery and Dynasty Winery, both of which have foreign partners and sell their wines on the U.S. markets.

This also marks the first time in years that Martini has been able to focus on international markets, rather than its domestic sales. Martini spokesman Sam Folsom said that after a slump two to three years ago, the company has focused completely on building its U.S. business. The winery now produces 200,000 cases of wine per year. "It's significant in that now they feel they can begin looking at other things," Folsom said, although he added that this agreement is not likely to play a major role in Martini's sales.

While Martini President and CEO Carolyn Martini emphasized that the negotiations are still in their infancy and that much of the venture is still to be worked out, she also stressed the importance of reaching China early and defining the market. "If you can get in first and be the prestigious name, that name brand recognition will carry a lot of weight," Martini said.

What style of wine the company will produce in China has yet to be determined, but it will probably be equivalent to the country. ...?

To maintain a presence in that market, Martini will need to continue what Rothstein called a key factor in its initial success: the vision of the project as a long-term project. "It's complicated to do business in China," Rothstein said. Martini was willing to take the time and learn the culture in a fashion that made this project feasible."

from: 'Vintner Louis M. Martini is aiming to make fine wines in the land of tea.', by Kristen Bole San Francisco Business Times Staff Writer

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<http://www.bizjournals.com/sanfrancisco/stories/1996/10/14/story5.html>

Key-data sheet

Tong Hua Winery

China National Cereal and Foodstuff Import and Export Corporation [.....]

Jilin Province

established: 1937 (Japanese)

owner:

manager:

personnel: 1995:

sale/year: 1995:

profit/worker: 1995:

investment: 1995:

fixed assets: 1995:

capital: 1995:

size vineyards:

grapes: wild grapes

products: 40 types of alcoholic substances, incl. medicinal liquors
- Tonghua wine

quantities: 1995:

local market:

export:

honours:

5.20 Zhe Jiang Cereals, Oils & Foodstuffs Import & Export Co., Ltd.

Hangzhou

Pagoda Brand; Shao Hsing Hua Tiao Chiew
(State Banquet Wine)

Key-data sheet

Zhe Jiang Cereals, Oils & Foodstuffs Import & Export Co., Ltd.

[...]

Hangzhou

established:

owner:

manager:

personnel: 1995:

sale/year: 1995:

profit/worker: 1995:

investment: 1995:

fixed assets: 1995:

capital: 1995:

size vineyards:

grapes:

products: Pagoda Brand [Shao Hsing Hua Tiao Chiew]
(State Banquet Wine)

quantities: 1995:

local market:

export:

honours:

5.21 Zhengzhou Oriental Wine Industry Development Co.

Key-data sheet

Zhengzhou Oriental Wine Industry Development Co.

[...]

established:

owner:

manager:

personnel: 1995:

sale/year: 1995:

profit/worker: 1995:

investment: 1995:

fixed assets: 1995:

capital: 1995:

size vineyards:

grapes:

products: - LiHua white wine

- LiHua red wine

quantities: 1995:

local market:

export:

honours:

5.22 Shanghai LiHua Wine Co., Ltd.

Key-data sheet

Shanghai LiHua Wine Co., Ltd.

[...]

established:

owner:

manager:

personnel: 1995:

sale/year: 1995:

profit/worker: 1995:

investment: 1995:

fixed assets: 1995:

capital: 1995:

size vineyards:

grapes:

products: - LiHua wild grape liqueur

quantities: 1995:

local market:

export:

honours:

5.23 Qingdao Dongni Winery Co.

Qingdao, Shandong Province

Key-data sheet

Qingdao Dongni Winery Co., Qingdao

[...]

Qingdao, Shandong Province

established:

owner:

manager:

personnel: 1995:

sale/year: 1995:

profit/worker: 1995:

investment: 1995:

fixed assets: 1995:

capital: 1995:

size vineyards:

grapes:

products: - Dong Ni (Riesling)

quantities: 1995:

local market:

export:

honours:

5.24 Calvin Winery Co., Ltd.

Lianyungang

Key-data sheet

Calvin Winery Co. Ltd.

[...]

Lianyungang

established:

owner:

manager:

personnel: 1995:

sale/year: 1995:

profit/worker: 1995:

investment: 1995:

fixed assets: 1995:

capital: 1995:

size vineyards:

grapes:

products: - Calvin brand wines

quantities: 1995:

local market:

export:

honours:

5.25 Chuan Wine General Co.

Sichuan

Key-data sheet

Chuan Wine General Co.

[...]

Sichuan

established:

owner:

manager:

personnel: 1995:

sale/year: 1995:

profit/worker: 1995:

investment: 1995:

fixed assets: 1995:

capital: 1995:

size vineyards:

grapes:

products: - Chuanyan brand wines

quantities: 1995:

local market:

export:

honours:

5.26 Yuquan Winery

Nixia

Key-data sheet

Yuquan Winery

[...]

Ninxia

established:

owner:

manager:

personnel: 1995:

sale/year: 1995:

profit/worker: 1995:

investment: 1995:

fixed assets: 1995:

capital: 1995:

size vineyards:

grapes:

products: - The Hong brand wines

quantities: 1995:

local market:

export:

honours:

5.27 Qing Xu Winery

Key-data sheet

Qing Xu Winery

[...]

established:

owner:

manager:

personnel: 1995:

sale/year: 1995:

profit/worker: 1995:

investment: 1995:

fixed assets: 1995:

capital: 1995:

size vineyards:

grapes:

products: - Cupbrand wines

quantities: 1995:

local market:

export:

honours:

5.28 LingZhou Winery

Gansu

Key-data sheet

LiangZhou Winery

[...]

Gansu

established:

owner:

manager:

personnel: 1995:

sale/year: 1995:

profit/worker: 1995:

investment: 1995:

fixed assets: 1995:

capital: 1995:

size vineyards:

grapes:

products: - Mogao brand wines

quantities: 1995:

local market:

export:

honours:

5.29 Shanshan Winery

Xinjiang

Lou Lan Winery Co.

The vineyards here are spread across provinces north of the Yangtze river, from Xinjiang in the extreme north west to the coastal regions of Shandong, Tianjin, Liaoning, and Jilin in the north east. Production is largely concentrated on table grapes and drying grapes.

Natural and Healthy

Made from pollution-free high quality grapes, fermented in the grapes' own juice, and without any artificial additive, the aromatic, brilliant, and tasteful Lou Lan wines have been awarded the "Green Food" Certificate by the Chinese Government. Such an award is a testament to the wines' natural integrity and matches exactly the demands of a new class of health-conscious consumers in pursuit of healthy and carefree lifestyle.

Coming from China's most celebrated viticulture region of Turpan, Xinjiang, where the dry weather, abundant sunshine, and exceptional soil conditions combine to produce grapes with high sugar content and strong sweet aroma pleasing the palates of local and overseas consumers over the years. With such a broad product range the consumers' different tastes and spending....

<http://www.winesite.com.hk/asia.htm>

Key-data sheet

Shanshan Winery

[...]

established:

owner:

manager:

personnel: 1995:

sale/year: 1995:

profit/worker: 1995:

investment: 1995:

fixed assets: 1995:

capital: 1995:

size vineyards:

grapes:

products: - Lou Lan

quantities: 1995:

local market:

export:

honours:

5.30 Heavenly Palace Winery Co.

Xinjiang

Key-data sheet

Heavenly Palace Winery Co.

[...]

established:
owner:
manager: Xu Wen Heng, cf. also Dynasty
personnel: 1995:
sale/year: 1995:
profit/worker: 1995:
investment: 1995:
fixed assets: 1995:
capital: 1995:
size vineyards:
grapes:
products:
quantities: 1995:
local market:
export:
honours:

5.31 China Mingquan Tianyu Wine Co., Ltd.

Tianyu Wine

China Mingquan Tianyu wine Co., Ltd.

China Mingquan Tianyu wine Co., Ltd., located near to the deserted Yellow River, north to the Mingquan county, as a specialization factory for wine, with the investment of úñ6 000 000 is originally the Fruit-wine factory. Founded in the early 1986, the company has a capacity of wine production of 1 500 tons, surrounded with grapefield, the company occupies 14 690 square metres with zymotic container 1000 tons and wine-storage 2000 tons.

The main products of the company are four series and many kinds with favourable prices. Any inquiry will be appreciated. The company has gained serveral praises, such as Golden Award for China 2rd Argricultural products, Award for Export Comodity of China county enterprises, Golden Award for China Technical Products.

With traditional handcraft and modern methods, the company vintages Tianyu Wine. Standing in the demostic market, we wish to cooperate with companies home and abroad.

Add Wangqiao Industrial Area, Mingquan County, Henan, China
TEL (0370)8631018
FAX (0370)8631018
EMAIL SQTGER@PUBLIC.ZZ.HA.CN

<http://www.aei.com.cn/companies/wine/index.htm>

Key-data sheet

China Mingquan Tianyu Wine Co., Ltd.

[....]

established:
owner: government
manager:
personnel: 1995:
sale/year: 1995:
profit/worker: 1995:
investment: 1995:
fixed assets: 1995:
capital: 1995:
size vineyards:
grapes:
products:
quantities: 1995:
local market:
export:
honours:

5.32 Lian Yun Gang Winery

Key-data sheet

Lian Yun Gang Winery

[...]

established:
owner: government
manager:
personnel: 1995:
sale/year: 1995:
profit/worker: 1995:
investment: 1995:
fixed assets: 1995:
capital: 1995:
size vineyards:
grapes:
products:
quantities: 1995:
local market:
export:
honours:

5.33 Hua Xia

Hebei Province

Key-data sheet

Hua Xia

[...]

Hebei Province

established:

owner: joint venture

manager:

personnel: 1995:

sale/year: 1995:

profit/worker: 1995:

investment: 1995:

fixed assets: 1995:

capital: 1995:

size vineyards:

grapes:

products:

quantities: 1995:

local market:

export:

honours:

5.34 Handan Congtai Wine Business Co.

Hebei Province

Handan Congtai Wine Business Co., Ltd.(called Congtai for short) was established in 1994, reformed into a stock system enterprise from the original state-operated Handan City Winery boasting 50 years' history in wine-making .It is the only manufacturing base in Hebei province to make strong fragrance yeast liquor and it is also one of the 500 biggest drink manufacturing factories. The total registered capital stock of the company is RMB 50,820,000, the number of the workers and staff members is 1600, the fixed assests is RMB 74,790,000, the occupation area is 160,000 square meters. The company is divided into north and south division, set up 15 manufacturing workshops, 3 branches of the factory, 1 subsidiary industrial and trade company and 2 subsidiary holding companies, they are Handan Congtai Meiyuan Limited Company and Handan Dahua Printing Limited Company.In the field of international cooperation, China-France joint venture Handan Congtai CAZEVERT Wine Limited Company was established. The projects of annual production of 1500 tons of dry red wine and 1000 tons of other fruit juice wine are under construction.

With the development of reformation and opening to the outside world, it is Congtai who is the first to complete the strategic transformation from single production type to production and operation type. Under the strategic aim of creating the best enterprise, the company is in a better development situation through technological research, market development, scientific management, stock system transformation, capital operation, quality system intensification and through the ISO9002 international quality system authentication. It is firmly believed to be one of the 100 best economic benefit industrial enterprises in China industry by national authority and it is also named to be scientific and technological forerunner, quality benefit advanced enterprise by the Economy and Trade Committee and the Technology Supervising Bureau of Hebei province. In 1997, the general industrial output value was RMB 70,000,000, the sales income was RMB 150,000,000, the profit and tax was RMB 54,110,000, the profit was RMB 14,050,000. The economic benefit of the company is continuously enlisted at the front rank in the subordinate industrial enterprises to Handan city and in the same trade of Hebei province. It is the winner of the honorary title of "one of the 100 best industrial enterprises of Hebei province", "the best image industrial enterprise of Hebei province", and "the demonstration enterprise of establishing the basic frame of modern enterprise system".

At present, Congtai annually manufactures 10,000 tons of various kinds of liquor, 10,000 tons of quality alcohol, 30,000 tons of compound feed, 500 tons of refined plant oil, 40,000 tons of purifying drinking water and low alcohol fruit wine, etc.. There are more than 20 sorts of products in the company and the leading Silver Medal of Quality Prize of the People's Republic of China, such is the highest honor for the liquor in Hebei province and it is appraised as No.1 in the 10 best selling brands in Hebei province. It is honorably named as "the first famous liquor of Hebei

province" by the numerous consumers. In the strategy to implement famous brand, Congtai Wine has formed into variety of series products. Among the series, the scientific strength of Congtai Wine is fully shown in the five-star Contai Wine made for 15 years, Congtai Wine soaked with pear flower, Wanbiguizhao Contai Wine. Congtai brand has become the Chinese famous brand widely known to every family.

For the long term development, Congtai will continuously orientated itself by establishing modern enterprise system, depending on technological innovation, promoting technique progress, intensifying quality management and operation plan, continuously developing market ,actively infiltrating to the relevant industry, forging ahead toward groupzation, pluralization, (???) and internationalization. At the end of "the ninth five-year plan", the assets will be RMB 1,000,000,000 the profit and tax will be RMB 2000,000,000, the profit will be RMB 100,000,000. Such is called the plan project of "1521".

Cao Yong Chang

Member of the Standing Committee fo the NPC, Expert of managment of province Chairman of the board, Superior economist Outstanding enterpriser Winner of national May Day labor medal

Song Rui Lin

General Manager,

Outstanding young enterpriser of Handan, Model worker of HanDan city and Hebei province National model worker of light industry

Enterprise Address:

Address: No.57 Fuhe Street, Handan City

PC: 056002

Tel: 0310 3015743-9867

Fax: 3010 3018539

<http://www.clii.com.cn/clii-en/qy/19ct/ctindex.htm>

Key-data sheet

Handan Congtai Wine Business Co.

[...]

Hebei Province

established:

owner:

manager:

personnel: 1995:

sale/year: 1995:

profit/worker: 1995:

investment: 1995:

fixed assets: 1995:

capital: 1995:

size vineyards:

grapes:

products:

quantities: 1995:

local market:

export:

honours:

5.35 Danyang Winery

Created in 1958, Danyang Winery is China's largest wine producer with a staff of 850. It occupies an area of 100,000M*M with the building area of 60,000M*M, holds fixed kinds assets of 31 million yuan and turns out 20,000 tons of various kinds of wine and plain spirit annually. Danyang Winery is an advanced enterprise of Jiangsu and one of China's 500 largest foodstuff producers.

Danyang has since long been famous for its wine. Danyang wine, noted for its long standing of 3,000 year, is made from super glutinous rice and spring water through traditional processes and modern technology. Danyang wine has a series of varieties, won prizes at many occasions and enjoys popularity far and wide. Danyang Winery is on Huanyang Road in the city proper. Danyang city, a new type city by the Yangtze River, is 200 kilometers west of Shanghai and 80 kilometers east of Nanjing. The city is within easy access with Shanghai-Nanjing Railway, the Grand canal, No.312 National Highway and Shanghai-Nanjing Expressway running through it. Changzhou Airport is 20 kilometers away from the city and the distance to an international Dagan Port covers 30 kilometers.

The company pursues the policy of "Quality First" and strives to go onward.

<http://www.opchina.com/business/engdanyangwinery.htm>

Key-data sheet

Danyang Winery

[...]

established:
owner:
manager:
personnel: 1995:
sale/year: 1995:
profit/worker: 1995:
investment: 1995:
fixed assets: 1995:
capital: 1995:
size vineyards:
grapes:
products:
quantities: 1995:
local market:
export:
honours:

5.36 Yi Yang

Key-data sheet

Yi Yang

[...]

established:
owner:
manager:
personnel: 1995:
sale/year: 1995:
profit/worker: 1995:
investment: 1995:
fixed assets: 1995:
capital: 1995:
size vineyards:
grapes:
products:
quantities: 1995:
local market:
export:
honours:

5.37 Shaoxing Yellow Wine Group

China Shaoxing Yellow Wine Group Corp is the largest enterprise dealing in producing, managing and exporting of rice-wine in China. As a large enterprise of more than 3,000 employees and the total assets of 150 million Yuban, it possesses the first-class rice wine producing equipment with an annual output of 110 thousand tons and a unique rice-wine scientific research center in China.

Key-data sheet

Shaoxing Yellow Wine Group

[....]

established:
 owner:
 manager:
 personnel: 1995:
 sale/year: 1995:
 profit/worker: 1995:
 investment: 1995:
 fixed assets: 1995:
 capital: 1995:
 size vineyards:
 grapes:
 products:
 quantities: 1995:
 local market:
 export:
 honours:

5.38 Zhejiang Zhizhonghe Wine Industry Co., Ltd

Production Location 9 Yandongguang Road, Jiande, Zhejiang,
China Postcode 311600
Sales Location 46-1 Shuguang Road, Hangzhou, China Postcode 310007
Tel 86-571-7982512
Fax 86-571-7982338
E-mail zzh@mail.hz.zj.cn

{<http://hzdf.zjpta.net.cn/busi/b2/zzh/zzhe.html>}

Zhejiang Zhizhonghe Wine Industry Co, Ltd lies in the state-level scenic spot, Qiandao Lake Scenic Area, along the golden travel route from Hangzhou to the Yellow Mountain. It boasts convenient transportation. The company mainly produces "Zhizhonghe" brand wines including Wujiapi wine, Yandongguan wine and Jiaogulan wine. It also manufactures Shaoxing wine and white spirit, etc. In the 28th year of Emperor Qianlong's rule in the Qing Dynasty, that is, in the year of 1763, an Anhui medicine businessman, Mr Zhu Yangmao, moved to Jiande. He collected wine recipes from the neighbourhood and adopted good advice from all, thus established his own style and began to produce large quantity of Wujiapi wine. "Zhizhonghe" wine is of high quality and enjoys a good reputation. The products are sold well in Jiangxi, Fujian and Guangdong provinces, etc. And they are warmly welcomed in countries in Southeast Asia.

Wujiapi wine is made from pure white spirit and it consists of over 20 Chinese medicines such as bark of the slender acanthopanax, dangshen, Chinese angelia and cinnamon tree, etc. It is a health improving wine which helps people relax and invigorates blood circulation. The wine also has its special flavor. It is one of the Chinese wines which entered the world market early and won prizes. In 1876, Wujiapi wine won its first gold medal in Singapore. In 1915, it won a silver medal in the Panama International Fair. It won a high-quality award in the West Lake International Fair in 1930. From then on, it has been awarded high-quality product in the province and the Ministry. And it has won gold medals in China Food Fair, China Health-improving Food Prize and the West Lake International Food Fair. Wujiapi wine has been warmly welcomed in both domestic and foreign markets.

Jiaogulan wine is made from Jiaogulan which is known as "ginseng in the south". The wine improves human immune function, helps against aging and tumor, and it does good to the liver. It also helps people to go to sleep. Jiaogulan smells good and has a special flavor. People may drink it all the year round. The wine has been awarded New Product Prize and Quality Product Prize in Zhejiang Province as well as a silver medal in the West Lake International Food Fair.

Yandongguan wine is made from Qiandao Lake spring water, high-quality white spirit, fine glutinous rice wine, precious fruits from the mountains and medicine. It is a good combination of traditional recipe and modern technique. The wine is nutritious and cultural and has a special flavor. It is suitable for both men and women and can be tasted all the year round.

<http://china.pages.com.cn/busi/b2/zzh/proe.html>

Key-data sheet

Zhejiang Zhizhonghe Wine Industry Co., Ltd

[...]

established:
owner:
manager:
personnel: 1995:
sale/year: 1995:
profit/worker: 1995:
investment: 1995:
fixed assets: 1995:
capital: 1995:
size vineyards:
grapes:
products:
quantities: 1995:
local market:
export:
honours:

6. Education and research on vine and wine

6.1 Universities and other institutions

There are 3 levels of education:²⁴

- agrarian universities, 7 under the Ministry, another 7 under provincial governments;
- agrarian schools at middle level;
- professional junior and senior high schools.

They can have fruit tree departments.

The spreading of technology and the dissemination of knowledge is also being done by institutes: agricultural bureaus or stations under the provinces, the counties and at town or village level.

All 7 universities are famous and have planting and cultivation in their curricula.

Some names:

- Shandong Agricultural University, Taishan;
- Chinese University of Agriculture, Beijing, where also wine making/processing is being taught;
- Southwest Agricultural University, Chongqing;
- Zhejiang Agricultural University, Hangzhou, Zhejiang Prov.

- Research and education

Research is being done in the China Food Fermentation Research Institute, Beijing. 'Spark projects' exist, but have only a local significance.

Courses on wine-making are given by Light Industry Colleges.

Also there are training courses for winery-personnel.

At university level there is North West Agricultural University in Shaanxi province, where Prof. Li Hua teaches eunology.

College of Enology - North West Agricultural University ²⁵

Yangling
 Shaanxi Province 712100
 tel: +86-910-709 22 33 / 701 25 28
 fax: +86-910-701 25 59

²⁴ Sources of information: visiit: 1996.04.15

Ministry of Agriculture: - Mr. Wang Xiaobing, Project Officer, Ministry of Agriculture

CPAFFC: - Ms. Zhang Yongqing

Paper: notes (in Chinese) kindly prepared by Mr. Wang.

²⁵ Sources of information: Visit: 1996.04.10, present:

from North West Agricultural University: - Prof.dr. Li Hua; - Mrs. Li; - Mr. ...

from Xi'an Jiaotong University: - Prof. Guan Xiaohong

Brochures: 'Cradle for Talent Cultivation and Technology Development on Vine and Wine', as cited.

Books: as cited under 'College textbooks'.

The University is under the jurisdiction of the Ministry of Agriculture, Animal Husbandry and Fishery. The College of Enology is directed to education, research and development.²⁶

The College

The College of Enology was established in 1994 by Dr. Li Hua, enological professor and state-level wine expert. As an affiliate of the North West Agricultural University under the Ministry of Agriculture, the college is not only the sole enology school of higher learning in Asia, but also a unique centre in China for the teaching, research and technique extension of vine growth and wine production.

The enology building is on the university campus, creating an ideal, comfortable study environment for students. The college is located 90 km from Xi'an city, a well known historical and cultural metropolis in China, and 65 km away from Xi'an International Airport. Yangling Railway Station is on the Long-Hai Railway Line, and the expressway connects Xi'an and Baoji Cities. The college is thus endowed with convenient transportation. For fast exchange of information IDD and DDD phones are installed.

Honorary College Presidents:

- Robert Tinlot, General Director of the Office International de la Vigne et du Vin (O.I.V.), France
- George Debrouyn, President of Monde Selection, Brussels
- He Puchao, Professor of the North West Agricultural University, China.

College President:

- Li Hua, Professor of the North West Agricultural University, China.

Professor Li Hua obtained his Dr.-degree at Bordeaux University, France, in 1985. The building of the College was constructed in 1995. ... "

Education

The college is guided by a teaching principle which encourages competition and stimulates the students' curiosity and ability in accordance with educational objectives: teaching will be oriented toward modernization and equalization with the outside world, and for future utilization.

The college, with the present specialities of vine and enology, is ready to offer such disciplines as enological engineering, wine marketing, enological management, wine services, etc.

The college enrolls postgraduate, undergraduate, college and vocational students majoring in grape and wine research, in conformity with the requirements of the OIV (Office Internationale de la Vigne et du Vin; OENO 2/91).

While giving priority to undergraduate and college teaching, the college is capable of instructing postgraduates as well.

²⁶ In the following text, the *italic* print is copied from a descriptive brochure, titled: "A Cradle for Talent Cultivation and Technology Development on Vine and Wine; a brief introduction to the Enology College in North West Agricultural University".

By the end of the 20th century, the college expects to have 400 undergraduate and college students, as well as 30 postgraduates studying on campus.

Adult education courses involving the special method of 'Lenient enrolment but strict graduation' is adopted. Most of the trainees are on-the-job and practical personnel. The college also offers off-job and correspondence courses. By the end of the 20th century, we expect to have 100 audit trainees studying at the college and 200 students registered for correspondence schooling.

The college emphasizes the fostering of young and middle aged academic leaders, the optimization of its teaching staff structure, and the combination of full-time and part-time employment. A teaching pyramid of various professional status will exist from the year 2000 onwards. The total number of teaching staff will reach 80 (including part-time employees).

The college will strengthen its international cooperation in the aspects of education, academic studies/seminars, science and technology, as well as adopting vigorous measures to do the following work well: sending students to study abroad, inviting foreign experts, enrolling international students and running joint schools overseas.

In 1996 there were 3 professors, 10 teaching staff members, 3 Ph.D.-candidates and 12 graduate students in the College.

? courses given; contents ?

? admission of students ?

? prerequisites for admission ?

? admission of foreign students ?

Scientific research

The College of Enology consists of four teaching divisions, a testing centre and an experimental station.

Grape Division:

- *breeding of high-quality and disease-resistant grape varieties*
- *vini-biology and variety distribution*
- *fresh grape storage*
- *comprehensive control of grape disease*

Enology Division:

- *selection of saccharomycete*
- *selection of lactobacilli*
- *research in new enological technology*
- *research in the storage and maturity of wine*
- *research in the stability of wine*

Enological Engineering Division:

- *research and production of new equipment*
- *rational arrangement and design of workshops and equipment*

Wine Marketing Division:

- *market research in the wine market, both at home and abroad*
- *research in economical development of both grapes and wine*

Wine Quality Testing Centre:

- analytical research according to international and national standards
- research in the aromatic properties of wine
- research in the nutrients of wine

Grape Experimental Station:

- breeding research
- breeding and extension of new high quality varieties

The college will reinforce various forms of cooperation between production, teaching and research in a bid to organize a research and development team closely combined with industrial circles. Then it will be able to accept various research contracts, solve key problems, and give estimates of proof and design. It will carry out extensive research. The college has a 16 channel analyzer (chromatograph) for chemical analyses. Other tests are with paper and on atomic base. The investment of US\$ 1,000,000 was derived from the profits of the wine-company of Prof. Li Hua.

The College has an excellent tasting room, equipped according to OIV-standard, including lights, faucet and basin. Also the tasting glasses are according to the ISO/INAO-standard.

Development

The college will devote major efforts to strengthening the extension and application of scientific achievements: bringing them up to international standards, the industrializing and merchandising them.

The college will formulate various production technologies and operating rules for wine making, Where necessary it will make technical innovations in production areas which need updating.

The college plans to offer such services as consultations, management improvement, market research and sales techniques for wine production and marketing.

The college will cooperate with other enterprises in marketing new equipment and new raw materials.

In an exposition room a large variety of Chinese wines are exhibited, including:

- LiHua white wine Zhengzhou Oriental Wine Industry
- LiHua red wine (see later) Development Co.
- Shenlou
- Likou
- Grand Dragon
- Dong Ni (Riesling) Qingdao Dongni Winery Co., Qingdao
- Changyu (Cabernet) Chang Yu Pioneer Wine Co., Yantai
- Calvin Calvin Winery Co. Ltd., Lianyungang
- Shuang Li
- Chuanyan Chuan Wine General Co., Sichuan
- Great One
- The Hong Yuquan Winery, Ninxia
- Cupbrand Qing Xu Winery
- Mogao LiangZhou Winery, Gansu
- Dynasty Sino-French Joint Venture Dynasty Winery, Tianjin

Particular emphasis is placed on elimination of impurities; that makes the wines less amenable for oxidation.

Another product from the same producer:

- LiHua Wild Grape Liqueur, producer: Shanghai LiHua Wine Co., Ltd., bottled by Huxian Mihoutao Winery.

In the exhibition room mentioned before medals and awards earned by the LiHua products are exposed.

Conference

In cooperation with the OIV a conference has been organized at the College in July 1997. The attendance was restricted to 100 people. Topics discussed included: viticulture; enology; equipment; wine and health; economy; comparison of China and the outside world. There also will be technical visits.

College textbooks:

The following books were kindly provided to me:

Li Hua (1990). Winemaking and Quality Controls [pinyin: Pu Tao Jiu Niang Zao Yu Zhi Liang Kong Zhi]. 166 pp.
ISBN 7-80559-271-5/S.49

Li Hua (1992). The Study of Wine-tasting [pinyin: Pu Tao Jiu Ping Chang Xue]. 178 pp. teaching material, Wine College, Northwest Agricultural University, Shaanxi Province.
ISBN 7-5006-1195-1/S.20

Li Hua (1995). Modern Enology [pinyin: Xian Dai Pu Tao Jiu Gong Yi Xue]. 230 pp. teaching material, Wine College, Northwest Agricultural University, Shaanxi Province.
ISBN 7-224-04005-3/TS.2

7. Prospects

7.1 Developments in Chinese society

"Although China comes eighth in the table of vineyard plantings, apart from some promising Chardonnays, there is really very little to attract western palates at the moment. As China is fast catching up with the rest of the world through the infusion of western technology and investments, it is only a matter of time when China will join the elites of the wine producing nations."

Western-style wines are a new product in China and, at this time, still considered a luxury. Wine connoisseurs remain scarce, and a public that yearns for Western products could provide fertile ground for wine promoters determined to educate future customers. The average wine consumer in China is between 20 and 35 years old, relatively affluent and lives in an urban area. Chinese consumers don't necessarily serve wine in the traditional way. Iced red wine is popular -- white wine is often mixed with colas and red with lemon/lime sodas.

Because of improvement in the Chinese people's living standards and improvement made within the wine industry's structure, both the demand for and supply of wine have grown.

Yet the taste of grape wine is somewhat difficult. This is testified by some notes in the press:

"Chinese put a new twist on the term 'mixed drink'; Wine-and-Coke craze dooms quality imports to the warehouse. Yao Yun pulls the cork on a bottle of red wine in a fashionable restaurant here and does something that might horrify a Frenchman: he pours himself half a glass and tops it up with Sprite. "Wine tastes too bitter, but the more we drink mixed wine, the more we like it," says the young graphic designer, pouring a second glass for his friend.

Red wine is à la mode in China's increasingly prosperous cities these days, particularly at wedding banquets and karaoke bars. It has replaced the Cognac that people here downed by the tumblerful a few years ago.

But thanks to lax regulation and unscrupulous vintners, much of the wine in China is of poor quality. Many people mix white wine with Coca-Cola or red wine with Sprite to make the wine more palatable.

Though Yao's bottle of wine carries a local label, it might contain cheap table wine from Spain that has sat for months in a giant plastic shipping bag. Or it might not hold what people in the West would consider wine at all: there is no law that red wine be made from grapes, though there is a "recommended standard" that grapes be used for at least half the content.

Bottlers are supposed to list the ingredients on the label, but there is often plenty left unsaid. Some wine is made from cheap apple-juice concentrate, with grain alcohol and color added, viticulturists say. Some is just colored sugar water, with flavoring and alcohol but no fruit juice at all. Counterfeiting is rife, with only a printing press needed to turn cooking wine into claret.

That disturbs Western merchants who had hoped to cultivate a billion wine drinkers after Beijing began promoting fruit-based alcoholic beverages as an alternative to traditional 160-proof Chinese spirits a few years ago. Chinese liquor is made from grain the government would rather people eat than imbibe.

Helped by reports of the health benefits of moderate wine consumption, the government's nudge started a stampede for red wine. The Chinese do not ascribe any special aphrodisiac qualities to wine, as they do to some hard liquor, but as in the West, wine has a romantic aura.

The sudden demand quickly sucked dry China's small vineyards, mostly vestiges of Western wineries from pre-Communist days. Wine factories even used up Chinese grape varieties like Cow's Nipple or Dragon's Eye, which are considered too sweet for dry Western wines.

Copyright: The New York Times, 2000.03.17, Craig Smith"

"Wine by the bag. To slake the sudden thirst, Chinese bottlers started importing cheap European wine, shipped in 22,000-liter bags that each fill a 20-foot steel freight container. Fernando Rovira was in charge of international sales at the Bodegas Félix Solís winery in Spain at the time. The dapper Spaniard says his fax machine began whirring with order after order from China in 1996. "People wanted four, five containers in the first order, no sample required," he says now from his mostly empty warehouse just west of Shanghai.

The world's wine business quickly fell under the spell of the potentially vast China market. Winemakers from Australia to Peru came to scout for customers. Rovira moved to Shanghai, established a bottling plant and began pumping wine from truck to tank as if it were home-heating oil.

Soon, even China's best-known local labels were wrapped around bottles of cheap Western table wine, though they continued to claim that they were made in China.

"China doesn't have enough grape fields to meet the market demand, so it's hard to believe that any of the big companies aren't importing from other countries," said Wang Jiajian, an official at the Alcohol Monopoly Agency in Shanghai.

The number of Chinese winemakers grew from a few dozen to more than 300, bottling such wines as Grand Dragon and Tonghua, whose label carries the ambiguous English phrase, "save and preserve five years in oak wood bucket."

But the dipsomania ran out of control: though wine consumption nearly tripled from 1996 to 1997, imports grew sixfold. China was soon swimming in surplus wine.

Twenty-year-old French wines appeared on supermarket shelves at \$3 or \$4 a bottle, cheaper than even local wines. Some were fake, but some were genuine, smuggled in and later dumped by cash-starved importers.

China tried stemming the flow, first by enforcing oft-underpaid duties that more than double the cost of imported wine, then by banning French wine imports after detecting traces of cow's blood in a few bottles. (Blood is sometimes used to clarify wine, but the practice is outdated and limited to a few small regions of Europe.)

Nonetheless, the Chinese press was soon warning consumers that they could catch mad cow disease by drinking French wine. China lifted the ban after just two weeks last year, but the damage was done. "A lot of people are afraid to drink any imported wine, especially French wine," says Sun Cheng, manager of the Golden Gate, a brightly lighted Shanghai restaurant that only serves Chinese wines - including one listed on the menu as French Champagne Wine, though it comes from northern China.

7.2 Quality control and brand protection

There is no system yet of quality protection like the Appellation Contrôlée. The Chinese wineries like to boost the medals their products earned in the previous years.

There is a "Green Food" Certificate awarded by the Chinese Government. Such an award is a guarantee for the wines' natural integrity and it matches exactly the demands of a new class of health-conscious consumers in pursuit of healthy and carefree lifestyle.

China is aware of and taking action against illegitimate use of famous brand names on fake products. An interesting example of such an action is the following:

A message dated 2000.05.09 indicated that a Canadian firm, PICS SmartCard Inc., has completed the delivery of 6.5 million high-security labels used to protect every bottle of Moutai -- the national alcoholic drink of China -- against counterfeiting. Early 1999, a representative of Moutai showed up at PICS in Burnaby, looking for something totally different and in a hurry. He had already been to 3M in the U.S.A., but that company could not produce the type of label Moutai needed quickly enough. The tamper-proof, multilayer labels contain invisible and visible security features, which PICS also incorporates into passports, visas and national identification cards. Capable of withstanding a corrosive environment, they are especially suitable for leaking wine bottles.

7.3 The commercial perspectives inside China

Wineries face big challenge. These are tough times for some of the smaller wine producers in China, but the industry's leaders are confident of the future.

Even as the country's largest wine producers, such as the Changyu Group, the Great Wall Winery Group or the Dynasty Wine Company, are forecasting a rosy future, many small or middle-sized wine enterprises, which are mired in debt, are expected to close or begin trimming their output.

This has resulted in a call for stronger governmental backing for the wine industry from industry officials and people in the business.

According to the "*10th Five-Year Plan (2001-2005) for the China Brewery Industry*," the central government and the non-governmental Wine Industry Association are expected to offer stronger support to key winery enterprises with an emphasis on quality improvement and brand promotions.

Statistics from the China Brewery Industry Association indicate that more than 300 domestic wine producers produced about 250,000 tons of wine in 1999, 25 per cent more than average annual output of 1994-98. The industry's product mix has changed significantly in recent years, with dry wine replacing sweet varieties as a first preference. Dry red wine varieties have done even better. Dry wine production increased by a record 40 per cent in 1999. Sparkling wines, varietals and other high-grade offerings are now available on the Chinese market.

Although wine imports have increased since the early 1990's, Chinese-made products are doing well on the home market, with Changyu, Great Wall and Dynasty holding about half the market.

"The popularity of wine nationwide has uncorked a fruity bouquet of opportunity for Chinese wineries," Sun Liqiang, general manager of the Changyu Group, said.

However, experts assert the sector could go the way of the television industry and end up producing an oversupply of unwanted product which could lead to price cutting and long-term harm to the industry unless the industry develops an overall plan for production and unified quality-control standards.

It is hard to guarantee stable quality and sufficient supply because of growers' poor decision-making processes and the use of backward technologies, industrial experts said.

Copyright: China Daily, 2000.03.26 , Liu Jie, Business Weekly staff.

<http://www.chinadaily.com.cn/bw/history/2000/03/b8-4win.326.html>

"Abandoned shipments. With the customs service cracking down and the market saturated, importers began abandoning shipments at the docks. Wine executives estimate that as much as 10,000 metric tons - the equivalent of about 13 million bottles - was abandonedlast year. A lot of it is still sitting in government warehouses.

"They've imported so much wine that if they stopped today, there's enough in the warehouses to last three or four years," says Rovira, whose profit margins and market have withered because of competition from cheap wine.

If no one claims the wine after three months, customs agents are free to sell it - which they do, at happy-hour prices. By that time, the wine has been in plastic shipping bags for at least four months, including time on the water. A lot of the wine on the market today sat in shipping bags through the sweltering heat of summer.

That does not matter to most Chinese, who drink wine as they do traditional Chinese spirits, in a ritualized swallow meant more for show than for sensation. In the second-floor ballroom of the New Asia Thomson Hotel in Shanghai recently, tables of flushed young women and crew-cut young men gulped goblets of Imperial Court wine -

produced by a grapefruit farm - to a chorus of "gan-bei," a toast-cum- challenge that literally means "dry cup."

But it does concern those people trying to educate China's palate. Sam Featherston, an executive at the Montrose Food and Wine Company, an American-owned importer and distributor of fine wines in China, recalls that he was awakened one night by a bartender at a karaoke club in Beijing who wanted a case of wine from Chateau Lafite-Rothschild at roughly \$170 a bottle wholesale for the cheapest vintage, one of Montrose's most expensive wines. Featherston delivered the wine personally by taxi and was invited to spend the rest of the night with a party of toughs and a dozen hired women, who swilled the wine mixed with Sprite and watermelon slices.

"People say, "it's just like drinking the local stuff, so why spend so much money," Featherston says, referring to such ill-fated fine wines. But when they drink the local stuff on its own, he adds, their eyes water and their throats burn and they decide they do not like wine.

Montrose is nurturing a growing band of oenophiles with its 60,000-bottle cellar - actually a Mao-era bomb shelter in Beijing. The company holds frequent wine tastings and caters to a few connoisseurs. A director of the state arms trading company buys \$100 bottles of Sauternes by the case, Featherston says.

But most of the wine is consumed in places like Shanghai's Famous Grouse karaoke club, where black-clad young women carry \$10 bottles of El Guardamonte from Spain through the bright yellow halls to dark private rooms. Such nightclubs across Asia were once the main drain for much of the world's brandy and plenty of whiskey. "No one wants to drink Cognac anymore; most of our customers want red wine now," said the club's general manager, Huang Jianmei.

The real losers are people trying to produce quality wines in China. In the 1980's, Group Pernod Ricard of France began coaxing villages near China's Great Wall to switch from sweet Chinese grape varieties to Chardonnay and Cabernet Sauvignon, which the company could use to make quality wines. They taught farmers to bury the frail European plants in the sandy soil during the frigid northern Chinese winters and to dig them out in spring.

The company now makes about a million bottles a year under the Dragon Seal label, using strict European standards - even aging the wine in oak casks imported from France. But the market is increasingly difficult. "The price is always decreasing," says its winemaker, G r me Sabate.

Rovira of F lix Sol s has decided to approach the market another way: he is selling jugs of sangria.

New York Times Digital, a division of The New York Times Co.

<http://www.winetoday.com/story/storyprint.asp?...>

Numerous exhibitions and fairs related to vine and wine has been established in China. Some examples:

23-26 September 1999, Shanghai
Food China, featuring wine and spirits.

27-29 October 1999, Qingdao
Vinitech & Mondavi China, international exhibition of equipment and techniques for grape growing and wine and spirits production.

17-20 November 1999, Beijing
China Wine '99, wine and wine technology and related educational topics; seminars, symposiums, ...

8-11 December 1999, Guangzhou
China Mart '99, 'an opportunity to meet over 10,000 buyers from China's supermarket and retail sectors'.

June 2000, Beijing
2nd Vinexpo International Wines & Spirits Exhibition for Asia.

<http://smartwine.com/wbm/1999/0799/calendar.htm>

7.4 China and the international market

A summarizing report:

The Alcoholic Beverages Market in China; January 1998

prepared by the Team Canada Research Centre and the Canadian Trade Commissioner Service

Executive summary. This report examines the market for alcoholic beverages in China. The information contained in this report was drawn primarily from secondary sources and the Canadian Embassy in Beijing.

The alcoholic beverages market in China includes spirits, beer, and wine. China imported over C\$500 million worth of alcoholic beverages in 1995, which was a 403% increase over 1991, in current dollar values.

Prospects are good for the sale of all types of alcoholic beverages in China, as all three market segments have witnessed considerable growth since 1991. Significant import duty reductions in 1995 have further aided the import market.

While fundamental economic indicators point to continued growth, imports can be slowed by Chinese trade barriers, the country's underdeveloped distribution system, inadequate infrastructure, and an inefficient banking sector.

Market Overview. China's alcoholic beverages market is dominated by domestically produced products. The market is diverse and extremely fragmented. Market size and potential vary by region, and nationally recognized brands are very rare.

Spirits are the largest segment in China's alcoholic beverages market. The majority of spirits sold are produced domestically. Spirits are classified as either white, red, or yellow. White spirits are all domestically produced spirits, and include most regional specialties. Red spirits are any imported spirits, and rice wine is classified as a yellow spirit.

The beer market is developing rapidly, and domestic production has increased accordingly. China is expected to become the world's largest beer market in the near future, and few strong national brands are present. Wine is a very small segment in the Chinese market, although it is growing. The economic growth in the major centres and the developing tourist industry have made wine, and the other segments, promising markets for imports.

There was significant growth in the value and size of the alcoholic beverages market in China between 1991-1995. Further growth is expected as trade barriers and duties are lifted.

Market Size and Projections. China imported over C\$500 million worth of alcoholic beverages in 1995 which was a significant increase from the C\$128 million in 1991.

China imported over C\$300 million worth of spirits in 1995 which accounted for only a small portion of the total market segment. While the majority of spirits are domestically produced, this market is considered undersupplied, and lacking variety. Most spirits produced in China are specialty brands specific to regions, and not traditional western-style products. These locally produced spirits have established market presence, are readily available, and are cheaper than imports. Industry sources predict that many local specialty spirits that currently dominate the market will disappear as western products become more common.

Table 1. Total Alcoholic Beverages Imports for China (C\$ '000, 1991-1995)
(change from C\$ to US\$?; 1.0 C\$ ~ 0.66 US\$)

| | 1991 | 1992 | 1993 | 1994 | 1995 |
|---------|-------------|-------------|-------------|-------------|-------------|
| Spirits | 109 790 | 191 844 | 333 407 | 400 645 | 335 940 |
| Beer | 12 856 | 14 892 | 47 477 | 101 743 | 172 786 |
| Wine | 5 314 | 4 971 | 5 580 | 5 049 | 8 484 |
| Total | 127 960 | 211 607 | 386 464 | 507 447 | 517 210 |

% growth (1991-1995) 403%

Source: TEAD/IMB/AAFC, data include import total for spirits, wine, and beer.

In 1995, China consumed 11.7 litres of spirits per capita, placing them near the top consumers of spirits in Asia. Imports are accounting for a larger share of the market with six types of spirits showing growth rates above 20%. This growth is expected to

continue, but until the large price differentiations are reduced, imports will have difficulty displacing domestic competition.

The southwest and northern regions of China predominantly consume regional spirits, and China's rural areas are more favourable to rice wine. However, major urban areas, such as Shanghai, have seen sales of regional spirits drop 10% annually since 1993.

China imported over C\$170 million worth of beer in 1995, which was a C\$160 million increase over 1991 at current dollar values. Beer sales grew on average 15-20% over the past nine years. Domestic production has increased substantially, but due to a traditionally poor distribution system, Chinese production focuses on regional markets, and not the national market.

The national average for beer consumption in 1995 was 15 litres per capita, but China's consumption varies. Beijing has the highest per capita beer consumption with 58 litres per year, the Yangtze River Delta area 20 litres and, in areas such as Tibet and Xinjiang Uygur, the market for beer is virtually nonexistent. However, all regional beer markets are growing rapidly.

Datamonitor forecasts that China's beer market consumption will grow by 150% by the year 2000 to reach 475 million hectolitres from the 1995 level of 190 million hectolitres.

Wine is still a relatively new product in China, and has only recently become popular. China imported over C\$8 million worth of wine in 1995, which was a 60% increase from 1991 totals.

Urban centres have experienced an 80% growth in sales between 1994-1995. Red wine regularly outsells white wine by a ratio of 20 to 1 because of red wine's perceived health benefits. In China, wine is generally diluted with various carbonated beverages because of the high cost of wine.

The challenges facing China's wine producers and importers extend beyond marketing the beverage to a population largely unfamiliar with the product. Import tariffs push the prices over C\$17 per bottle, which is out of the range for all but the wealthiest consumer. Storage and distribution problems are also a concern for wine producers. Available facilities may not have the proper capabilities for wine and beer storage, and quality may be affected. With the general trend of lowering tariffs and the growing popularity of wine, these problems are expected to be resolved over the next five to ten years.

The Competitive Environment. There are currently 35-40,000 distillers in China all with varying degrees of production capabilities and national distribution. Along with established domestic production, many foreign competitors vie with Canada for market share in China. Australia, New Zealand and most Asian nations enjoy lower average freight rates. French products dominate both the spirits, and imported wine markets. Foreign whiskies (American and Scotch) are among the most popular imported spirits in China. The imported beer market is dominated by multinationals from the US and the EU. Foreign brewers make up 20 percent of the Chinese market.

China has a large number of breweries, due to a poor distribution network and the vast size of the country. Most major international brewers have Chinese partners or subsidiaries in China's various regions. Japanese, Australian, and New Zealand brewers also have ventures of some kind in China. Very few beers have a large national

presence, although they may be strong in a particular region. The largest Chinese brewery, Tsingtao, controls less than 3% of the market, and the top ten brewers account for only 14% of total production.

Local brands account for 95% of all beer consumed in China. Foreign licensed brands account for 4%, and imported premium brands account for the remaining 1% of beer volume.

A foreign licence joint venture is the main entry mode for international brewers. Most breweries have up to 90% shares held by the government and have been built within the last two decades.

Distribution, rather than brand awareness, is the chief factor limiting market development. Signs of industry concentration are already apparent. This trend is supported by government policies and several large brewing conglomerates are expected to emerge over the next 15 years.

The Canadian Position. Canadian alcoholic beverage manufacturers have a limited presence in China. Canada exported nearly US\$577 000 worth of alcoholic beverages in 1997. Canadian whiskey has quickly become popular and Canadian wines is very competitive.

Distribution Channels; Overview of the Distribution System. The distribution system in China is decentralized. The lack of a national distribution network is a major problem facing both importers and domestic producers. Inter-regional trade has traditionally been weak. Each region has the mandate to oversee its own food and beverage industry. Consequently, local officials often regard local economies with proprietary interest and frequently create barriers for goods from other regions or countries. The development of retail chains is expected to improve this situation. In some cases producers may find it necessary to invest in the development of their own distribution system to avoid the ineffectiveness of the existing system.

Given China's internal transportation difficulties and regional differences, distribution systems differ by region and market. Exporters will likely find it difficult to enter the entire Chinese market, rather, they will need to explore opportunities in regional markets. The eastern coastal regions of China which include the states of Shanghai and Beijing represent the strongest consumer markets for imported goods.

Importers and intermediaries. Chinese importers usually want to establish direct trade links with foreign suppliers, although in the past they found it more convenient to use a Hong Kong intermediary, and in some cases still do. Hong Kong middlemen are falling out of favour with most Chinese businesses because importing products directly reduces costs for local companies. Companies attempting to enter the Chinese market will find it more cost effective to approach suitable buyers directly in the local market. Retailers who sell alcoholic beverages in China generally import products directly, if they have the proper import license. Wholesalers and distributors are often used for the purchase of alcohol when licenses are difficult to obtain. Using an intermediary has the advantages of superior market intelligence and improved communication for customer servicing.

Retail distributors. Alcoholic beverages are sold through a variety of channels in China. Hotels and restaurants sell a majority of the imported alcoholic beverages in China. Alcohol is not commonly sold in retail chains, such as supermarkets, however, there are some high-end chains which sell alcoholic beverages to local consumers and expatriates.

Food service operators. Upscale western style restaurants are becoming common in some of China's larger centres. Both these and hotel restaurants would be a good venue for introducing new products as they cater to the upper middle class Chinese and expatriates, both of which have higher disposable incomes.

Direct sales. Foreign companies are not permitted to directly engage in trade in China, other than the direct marketing of goods they have manufactured in China. Accordingly, exporters need to use a domestic Chinese agent for both importation and marketing within the country. While companies are permitted to set up representative offices in China to promote their products and gain market information, they are not allowed to engage in direct profit making activity.

This is particularly true for companies whose products are expensive to ship. The Chinese government is interested in joint ventures in the beer industry; in particular, domestic beer production is outdated and in need of foreign capital to modernize and expand.

Promotional considerations. Chinese consumers prefer to have both Chinese and foreign labels appear on imported food. Chinese labels are desired, for ease of understanding, and foreign labels are beneficial as they are perceived by Chinese consumers as evidence of a product's high quality. Large or bulk packaged goods for retail are not popular because most homes are small and few people own cars.

Product promotion will be important in China's larger consumer markets. Markets such as Shanghai are highly competitive and have many imported goods, which makes a product's success dependent on advertising and promotion. Most local Chinese people are extremely influenced by advertisements and commercials, such as television, billboards, and in-store promotions.

Considerations for Market Entry; Local standards and regulations. China continues to use standards and certification practices which their trading partners regard as barriers to trade. For manufactured goods, China requires that a quality licence be issued before goods can be imported into China. Obtaining such licences can be a time-consuming and expensive process. China often requires testing and certifications of foreign products to ensure compliance with standards and specifications unknown and/or unavailable to the exporter.

Health, phytosanitary and food safety. Despite multilateral commitments and market access agreements, China continues to use unscientifically based standards and certifications. China's phytosanitary standards are often overly strict, unevenly applied, and not backed by modern scientific practices.

The National Health and Quarantine Administration requires all imported food items be affixed with a laser sticker indicating the product's safety. Importers are charged five to seven cents a sticker, and the stickers must be affixed under state administration.

Packaging and labelling. As of September 1, 1996, Chinese law requires that all food products (domestic and imported) must have Chinese labels clearly stating the type of food, brand name, trademark, manufacturer name and address, country of origin, ingredients, date of production, and product expiry date.

Other information may appear on the label, but the Mandarin (simplified characters) language requirements must be met. Research suggests that the new labelling requirements are consistent with what the consumer wants and will aid in protecting consumers, producers and retailers from fake, inferior, or expired food entering the market.

Documentation and Procedures; Required documentation. The following documentation may be required to import goods into China. In general, exporters must comply with the importers or shippers instructions for the number of copies of each document that is required. The information in each document should correspond exactly to the details contained in other documents for the same shipment. The description of the goods must be clear, concise and incorporate all relevant details and costs. A responsible official of the exporting firm (or authorized agent) must sign the document.

Mail and Parcel Post shipments require postal documentation in place of bills of landing. Air cargo shipments require air waybills in place of bills of landing. The name of the People's Republic of China should appear on the documentation and all parcels should be sealed.

There are a number of required documents for product entry into China to which there must be strict adherence. Required Documents include the following:

- Commercial invoices: Always required, there is no specific format that they must follow.
- Pro-Forma Invoice: May be required when negotiating the import contract.
- Bills of Landing: Always required (see Mail, Parcel Post and Air Cargo).
- Packing List: Required for each shipment. At minimum, the list must note the weight and contents of each package.
- Certificates of Origin: May be requested. A standard form is usually issued.
- Sales Contract: Required.
- Insurance Certificate: Only if you are insuring the shipment (the Chinese usually insure the products themselves).
- Import Quota Certificate: Required for general commodities, where applicable.
- Import Licence: Required if the importer is not registered as a national foreign trade corporation.

Where applicable, inspection certificates issued by the State Administration of Import Commodity Inspection or its local bureau are required. Any special requirements should be spelled out in the importing contract for each transaction.

Authentication of documents. The Chinese government requires that some documents be authenticated, such as certificates of sale and letters authorizing an exporter's local agent or importer to act on their behalf. Companies should rely on their local contact to inform them of the specific requirements for their situation.

Customs Duties, Tariffs and Taxes. Of particular importance to the alcoholic beverages market is a duty reduction as of 1995 which lowered import duties on alcoholic beverages to 80% from the previous 150%. Industry sources believe that along with

other imported agricultural products China will continue to lower tariffs and non-tariff barriers on alcoholic beverages.

Despite a number of steps taken pursuant to its international commitments, including removing non-tariff measures (NTMs) such as quotas and licensing requirements, China still maintains a large number of non-tariff administrative controls to implement its trade and industrial policies. In addition to quotas and licensing requirements, China also restricts the type and number of entities within China which have the legal right to engage in international trade. Foreign exchange balancing regulations could also further restrict imports even for firms that possess the right to import. Moreover, despite recent moves to lower tariffs, China's tariffs remain prohibitively high. Nominal most favoured nation tariffs facing goods entering China in 1995 ranged as high as 150%, and averaged 35%.

Measures that can act as non-tariff barriers are administered at national and sub-national levels by the State Economic and Trade Commission (SETC), the State Planning Commission (SPC), and the Ministry of Foreign Trade and Economic Cooperation (MOFTEC). These non tariff barriers include licences, quotas and other import controls. The level of imports permitted under these measures are the result of complex negotiations between the Central Government and Chinese ministries, state corporations, and trading companies.

MOFTEC uses import licences to exercise an additional nationwide system of control over some imports. Many products are subject to both quotas and restrictions on top of import licensing requirements. For these products, after permission has been granted by other designated agencies for importation, MOFTEC must decide whether to issue a licence. MOFTEC officials claim that import licences are issued automatically once other agencies have approved an import.

Although China's import approval process remains complex, China is taking some important steps to streamline the process and to gradually reduce the range of imports subject to non-tariff barriers. Central Government agencies have published many, though not all, of their import administration laws and regulations, making China's trade regime more transparent. China has also taken steps to eliminate import restrictions no later than the end of 1997 in accordance with its international trade commitments. However, China still maintains NTMs on some products that were scheduled for removal in 1994.

China has taken steps to reduce tariffs pursuant to its bilateral commitments in an effort to boost its World Trade Organization (WTO) accession bid. In November 1995, China's President Jiang Zemin announced that China would make tariff reductions on more than 4000 tariff line items in 1996. China's stated goal is to bring its average nominal tariff down to 23% in 1996, and to make further reductions to reduce its average nominal tariff to about 15% in 1997.

In addition to import tariffs, imports may also be subject to value-added and other taxes. Such taxes are to be charged on both imported goods and domestic products, but application has not been uniform, and these taxes may be subject to negotiation. China has used the combination of tariffs and other taxes to clamp down on imports that officials viewed as threatening domestic industries.

Businesses selling goods into China often complain about China's customs valuation practices. Different ports of entry may charge different duty rates on the same products. Because there is flexibility at the local level in deciding whether to charge the official rate, actual customs duties are often the result of negotiations between business people and Chinese customs officers.

Since 1988 China has established a number of duty free import/export zones. China also has five special economic zones: three in southern Guangdong province, one in southern Fujian and the island of Hainan. These zones are setup to facilitate foreign investment and trade. They offer lower business tax rates and operating costs, better investment climate more developed infrastructure, and lower local taxes and rent. In deciding where to locate, some foreign firms have found that willingness of authorities to cater to specific needs of the investor is more important than official incentives. Even though the special zones provide incentives, investors should not forget to consider the normal factors of choosing a location, including most notably- distance to market, availability of supplies and labour, and other factors.

Transportation and Storage. China's infrastructure is poor. It can be so inefficient and costly that, in some cases, products from North America can compete well with domestic products from distant parts of China.

Shipping (by sea) is the easiest mode of transport. Many existing and planned plants are on the coast or along rivers, in order to take advantage of these natural transportation routes.

Adequate amounts of storage facilities exist at most ports, but the quality of the storage facility may leave something to be desired. Most are fine for general cargo, but they are rarely climate controlled. This will be of particular concern for imported wine and beer, products which have at least minimal storage requirements to maintain their quality.

Export Financing and Payment. The usual methods are letter of credit terms. This method accounts for almost 80% of all transactions. More liberal terms, such as open account are in use, but are not recommended without prior market knowledge. Credit terms vary widely, usually 60-90 days.

The Renminbi Yuan (RMB), or people's currency, is the Chinese currency. The basic unit is the yuan. The Renminbi is technically market determined, although there are many foreign currency laws which restrict this in practice.

Remittances in Renminbi, the local currency, remain generally sound. Foreign exchange delays of one to two months are currently reported after local currency cover is made. Local currency delays are averaging up to one month. The import cover is currently 6-8 months.

Cultural and Business Practices. Exporters need to understand the cultural nuances of doing business in China. Although productivity and output are not ignored, they usually take a back seat to harmony. Person to person dialogue is the preferred method of communication. Writing (letters, facsimiles, memos) is the least preferred method. Committing something to paper usually requires the approval of many people throughout the bureaucracy.

Business flows at a different pace in China. What would constitute an unacceptable delay in Canada, may simply be the normal pace of negotiations in China. Chinese business executives prefer to establish long term relationships, partly because of the

difficulty enforcing contracts. The services of a good interpreter, especially one who understands the culture and the language, are invaluable. Yes can mean no in some cases, usually when it is impolite to say no to a guest and a good interpreter can inform you of these types of situations. As well, be prepared to go over everything many times, in the same meeting and again in subsequent meetings.

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APPENDIX A -- Statistical Tables

Chinese Imports of Wine by Country, (C\$ '000 1991-1995)

(change from C\$ to US\$?; 1.0 C\$ ~ 0.66 US\$)

| | 1991 | 1992 | 1993 | 1994 | 1995 |
|---------------|-------------|-------------|-------------|-------------|-------------|
| World | 5,314 | 4,971 | 5,580 | 5,049 | 8,484 |
| Hong Kong | 3,301 | 4,082 | 3,990 | 4,603 | 4,304 |
| France | 932 | 363 | 210 | 32 | 2,747 |
| Germany | 14 | 93 | 13 | 28 | 363 |
| Japan | 263 | 232 | 596 | 242 | 292 |
| United States | 28 | 36 | 318 | 210 | 201 |
| Australia | 678 | 90 | 93 | 290 | 175 |
| Unit. Kingd. | 28 | 0 | 0 | 61 | 139 |
| Singapore | 0 | 15 | 175 | 122 | 118 |
| Hungary | 0 | 0 | 0 | 0 | 47 |
| Italy | 0 | 19 | 22 | 182 | 29 |
| Switzerland | 0 | 0 | 0 | 0 | 18 |
| Korea | 0 | 0 | 0 | 25 | 14 |
| Spain | 0 | 25 | 0 | 185 | 13 |
| South Africa | 0 | 0 | 21 | 28 | 8 |
| Austria | 0 | 0 | 0 | 0 | 8 |
| Indonesia | 40 | 15 | 57 | 17 | 7 |
| Canada | 0 | 0 | 0 | 0 | 0 |

Source: TEAD/IMB/MISB/AAFC.

Chinese Imports of Beer by Country, (C\$ '000 1991-1995)
(change from C\$ to US\$?; 1.0 C\$ ~ 0.66 US\$)

| | 1991 | 1992 | 1993 | 1994 | 1995 |
|---------------|-------------|-------------|-------------|-------------|-------------|
| World | 12,856 | 14,892 | 47,477 | 101,753 | 172,786 |
| Hong Kong | 10,758 | 12,616 | 41,078 | 97,489 | 165,907 |
| United States | 43 | 39 | 1,413 | 568 | 2,368 |
| Germany | 8 | 74 | 82 | 270 | 1,420 |
| Netherlands | 36 | 56 | 1,141 | 433 | 878 |
| Singapore | 763 | 1,116 | 743 | 1,350 | 629 |
| Australia | 0 | 0 | 0 | 0 | 528 |
| Mexico | 0 | 0 | 15 | 0 | 452 |
| Unit. Kingd. | 3,220 | 35 | 13 | 131 | 215 |
| Japan | 422 | 299 | 364 | 220 | 144 |
| Denmark | 0 | 18 | 0 | 0 | 78 |
| Korea | 0 | 0 | 0 | 19 | 71 |
| Indonesia | 499 | 585 | 1,370 | 782 | 46 |
| Philippines | 0 | 0 | 1,209 | 445 | 29 |
| South Africa | 0 | 0 | 0 | 0 | 21 |
| Canada | 0 | 0 | 0 | 0 | 0 |

Source: TEAD/IMB/MISB/AAFC.

Chinese Imports of spirits by Country (C\$ '000 1991-1995)
(change from C\$ to US\$?; 1.0 C\$ ~ 0.66 US\$)

| | 1991 | 1992 | 1993 | 1994 | 1995 |
|---------------|-------------|-------------|-------------|-------------|-------------|
| World | 12,856 | 14,892 | 47,477 | 101,753 | 172,786 |
| Hong Kong | 108,596 | 176,397 | 298,447 | 366,303 | 318,260 |
| France | 443 | 2,001 | 6,689 | 2,909 | 7,425 |
| Japan | 261 | 510 | 1,096 | 1,906 | 3,176 |
| Unit. Kingd. | 88 | 873 | 1,505 | 882 | 2,388 |
| Indonesia | 42 | 11,621 | 24,073 | 26,760 | 1,746 |
| North Korea | 0 | 86 | 0 | 142 | 1,148 |
| Netherlands | 0 | 0 | 76 | 474 | 1,148 |
| Korea | 0 | 15 | 64 | 156 | 160 |
| Malaysia | 0 | 0 | 0 | 10 | 128 |
| Singapore | 0 | 26 | 50 | 395 | 93 |
| Thailand | 0 | 0 | 702 | 100 | 51 |
| Italy | 26 | 0 | 0 | 13 | 39 |
| Belgium | | | | | |
| - Luxemburg | 0 | 0 | 0 | 0 | 24 |
| Canada | 0 | 0 | 0 | 0 | 22 |
| United States | 243 | 144 | 414 | 596 | 18 |
| Spain | 0 | 0 | 0 | 0 | 10 |

Source: TEAD/IMB/MISB/AAFC.

<http://atn-riac.agr.ca/public/htmldocs/e1975.htm>

Wine in China: Future Market for U.S. Labels.

Regardless of differing ways of appreciating the product, domestic wine output in 1997 is on the rise, projected at 4.5 million hectoliters (hl), up 50 percent from 3 million hl in 1996. The future bodes well for Chinese vintners, who predict a yearly production of 26 million hl by 2007. To accomplish this tremendous volume increase, producers would need to increase the current 163,000 hectares under grape cultivation to over 1 million hectares. Therein lies a potential opportunity for U.S. exporters.

Imports Rising Despite Tariffs. Beijing, Shanghai, Tianjin and Guangzhou report that imported wines have increased several-fold in the past few years. U.S. wine exports to China rose from just under \$200,000 in 1995 to over \$1.2 million in 1996, an increase exceeding 500 percent.

But there is a lot more room for growth. In China, per capita consumption of grape wine is 0.3 liter per year, compared to a world average of seven liters (24 liters in western Europe).

But the news isn't all good for foreign growers. Import tariffs and other taxes boost the price of wine about 120 percent. The cheapest import wine costs about \$3 a bottle in Beijing. Imports have trouble competing with popular domestic wines such as Zhang Yu, a white selling for \$1.20 per bottle. Other local beverages can be even cheaper; a bottle of Erguotou rice liquor retails for about \$0.70.

Besides tariffs, U.S. wines face non-tariff barriers, import restrictions, government monopolies, currency restrictions and strict labeling requirements. As with many luxury foreign items in China, there is widespread unofficial entry of wines into the country. Exporters also need to be aware of how easily knockoffs of their branded items can be produced and sold.

A further worry for importers-- rumors persist that the Chinese government, looking to protect its weak domestic producers, plans to impose quotas on imports soon.

The fledgling Chinese wine sector now has only 130 wineries, eight of them joint ventures. Only 20 of these wineries make more than 100,000 hl of product per year.

A Point About Joint Ventures. Some foreign wineries see the joint venture method as the best way to compete in the Chinese wine marketplace. Bernard Taillan, France's second biggest wine group, has developed plans to sell its wines in the China marketplace and also to invest in a joint venture with Beijing Agriculture, Industry and Commerce United General Corporation.

Following an initial investment of \$16 million, the French vintner and its Chinese partner are planting 30 hectares of grapes in suburban Beijing in the Fang Shan District. The first harvest is expected in 2000 by which time they plan to expand to 1,000 hectares. Not content to wait 3 years for profits to roll in, the venture has already set up a factory in Beijing to bottle juice imported from France. With sales now at 500,000 bottles a year, production is expected to reach 3 million to 4 million bottles within 3 years.

Keep an Eye to Government Policy. China's government tends to support the domestic production of alcoholic beverages processed from food products that are not needed to feed its population. Consequently, depending on the success of its agricultural sector over the years, favored products have waxed and waned.

Wine exporters wanting to enter this market should be aware of some unexpected consequences from this government manipulation of beverage production.

Whatever the drink favored by government policy, the Chinese people have demanded and received well-priced, high-quality varieties, with alcohol content adjusted to popular taste.

(By Henry Lin. The author is an agricultural assistant with the Foreign Agricultural Service's Agricultural Trade Office in Shanghai, China)

<http://www.fas.usda.gov/info/agexporter/1998/winein.html>

An interesting example of an attempt to improve the USA - China relations in the field of wine is the following part from the Congressional Record [Page: E1776]:

AMERICAN WINE DELEGATION CONTRIBUTES TO IMPROVED UNITED STATES-CHINA TRADE
DIALOG -- HON. GEORGE P. RADANOVICH (*Extension of Remarks - September 28, 1996*), in the House of Representatives

FRIDAY, SEPTEMBER 27, 1996

Mr. RADANOVICH. Mr. Speaker, Government colleagues and friends in the United States wine industry, earlier this year, at the invitation of the People's Republic of China, the first official American delegation of viticulturists and enologists since 1949 completed a 2-week consultative tour of the Chinese wine industry.

The trip, under the sponsorship of the People to People Citizen Ambassador Program, has resulted in broadening the scope of business and market contacts in China and in identifying new opportunities for trade and joint venture activities.

As I was consulted during the planning stages of this trip, I was able to lend it my full support and would have joined the delegation had scheduling permitted.

The delegation report, I feel, will serve as a valuable source of information for anyone in the United States business community who is interested in doing business in China now or in the future.

I wish to commend the delegation, led by Gordon Murchie, president of the Vinifera Wine Growers Association, for its professionalism in representing our country in this important factfinding and trade relations trip.

It gives me great pleasure in making excerpts of the delegation's trip report a part of the Congressional Record:

China, a nation of 1.2 billion people, has a history of grape growing dating back to the Han Dynasty (121-136 BC) and of grape winemaking dating from the Tang Dynasty (618-907 AD). Vitis Vinifera wine production, however, is a more recent 20th-century innovation.

While only about one-fifth of China's current grape harvest is made into wine, the potential for wine production and consumption is enormous.

Importing and exporting wine is gaining the attention of the newly emerging economic structures of China and foreign investors and partnerships. Both Chinese government and private-sector wine interests are eager to welcome and learn from American viticulture and enology techniques and methodologies.

Thus, with an invitation from the Government of the People's Republic of China and through the sponsorship of the Citizen Ambassador Program of People to People International, our Viticulture and Enology Delegation of one French and eleven American wine experts, representing all sectors of the wine industry, visited China, April 14 to 27, 1996. This was the first official U.S. wine Delegation to travel to China since 1949. A previous Viticulture and Enology Delegation was cancelled the day before departure in June of 1989 due to the Tiananman Square incident.

The mission of the Delegation was to meet with counterpart contacts at all levels of the Chinese wine industry; exchange information; discuss topics of mutual interest such as vineyard management, winemaking technology, viticulture-enology research and training, sales and marketing strategies, government regulatory oversight, foreign investment and joint venture opportunities, import and export potentials, and tariff rate issues; establish ongoing professional and business relationships; and, generally, assess the status of development and growth potential of the wine industry in the People's Republic of China.

The tip itinerary, which included site visits in Beijing, Tianjin, Yantai and Shanghai, provided the Delegation an opportunity to make contacts throughout the whole of the alcohol beverage industry in China. It included meeting the leadership of the PRC Government's oversight ministry, product control and distribution organizations, research and educational facilities, import and export companies, and visits to government, quasi-government, and joint venture wineries and distilleries, and farm vineyard sites.

As wine is truly an international language, the Delegation feels that an overall objective of the Citizen Ambassador Program to make friends and promote greater understanding among professional and concerned individuals internationally, in this case between the wine communities of the United States and the People's Republic of China, was in a good measure achieved.

The Delegation wishes to express its collective appreciation to all the American and Chinese organizations and individuals which contributed to the planning, arranging, conducting, hosting and support of what the delegation views as a successful professional exchange experience for all concerned.

Our thanks go to

The following is a general list of pluses, minuses, and other considerations that any individual, winery, wine consortium or allied business interested in doing business in China should take into consideration.

They are not intended to be conclusive, but to serve as a basic check list to be used in developing any business strategy to establish trade, investment, joint venture and/or production and marketing relations with the People's Republic of China.

American Products have edge:

- + Historical and cultural connections.*
- + Chinese view of U.S. on world stage is that it remains a major international economic and political power.*

- *Continuing political contentions between the U.S. and the PRC.*
- *Established and growing foreign competition. Market potential is there (1.2 billion population):*
 - + *Western products and styles have appeal.*
 - + *Youth and young business classes are change-minded and looking for a more prosperous and comfortable life style.*
 - + *Whole nation is undergoing a building-construction boom, further promoting change. More wage earning employment is increasing public desire for more consumer goods.*
- *Established cultural identification with tastes of traditional products, i.e., sweeter, heavy bodied, high alcohol content and flavored wines.*
- *Higher prices and limited availability of foreign products.*

Lessening of PRC government's monopoly control of distribution systems of major products, i.e., grains, oil, sugar and alcohol:

- + *Government entities are freer to establish direct business contacts with foreign companies.*
- + *Small private sector businesses are present everywhere, adding a stimulus to the development of alternative distribution and marketing systems within the country.*
- *Government bureaucracy, out of date regulations, paperwork, etc.*

Business and trade considerations:

- . *Patience and long-term commitment are necessary.*
- . *Include overseas Chinese connection in PRC business arrangement.*
- . *Joint venture connection with government or government connected organization best for near future.*
- . *Establishment of dependable distribution and warehousing system is key.*
- . *Capital investment is offset by inexpensive labor costs.*
- . *Targeted advertising strategy is essential, building product identification and product appeal.*
- . *Networking international hotels and restaurants.*
- . *Developing wine expos and other public wine education/appreciation events.*

Current alcohol beverage market:

- . *Distilled spirits traditional, brandies and cognacs are king.*
- . *Beer is being brewed locally in all cities. Beer popularity and consumption is growing rapidly throughout the country.*
- . *Wine: Table grapes and vineyards for 6,000 yards. Wine grapes and wine for 2,000 years, but always in limited quantity. Rice, plum and other fruit flavored, sweet and heavy-bodied wines are traditional and remain popular.*

Late 1800s and early 1900s began foreign influence and production of European styled dry wines. 1892 Chang Yu Winery was the establishment of the first commercial plant in Yantai, China.

Bottom line: If there is money to be made by Chinese involved individuals and/or businesses in marketing and selling an American product (wine), success will eventually happen!

Plan and conduct a series of Chinese wine expos in several American cities with large Chinese populations. Hold trade and public wine tasting events to improve the marketing and sale of Chinese dry wines in the U.S.

Establish a cost sharing exchange program between the PRC and the U.S. agricultural universities and institutions for viticulturists and enologists--short term teaching, study and research grants.

Recommended American consultants for short working assignments with China's alcohol beverage industry:

- 1. Alcohol beverage trade association consultant.*
- 2. Alcohol beverage consultant on warehousing, distribution systems and marketing strategies.*
- 3. Consultant team from the U.S. Bureau of Alcohol, Tobacco & Firearms to advise on: (a) Establishing national regulations and standards for the Chinese alcohol beverage industry; (b) Label and formula approval; (c) Compliance matters; (d) Laboratory research and testing procedures; and (e) Product taxing and collection.*

Increase incentive for foreign wine importation and joint venture activity by further lowering the tariff on wine considerably below the present 70% level. Increased sales of American dry wines in China will correspondingly increase the popularity and sale of Chinese dry wines.

end of report

Consequently the USA wine industry has been following and stimulating the negotiations on the World Trade Organization (WTO), as can be seen from the following notes:

Opening China's markets could free the flow of wine. After years of negotiations, China is one step closer to entering the WTO after agreeing to cut tariffs and open markets. One of the markets benefitting from the agreement is the wine industry.

However, it could take some work to make it pay off. "It think any company that wants to sell in China better think in terms of ten years investment in time and effort to get to know all the agencies and basically build up your Chinese staff and expect business to never be close to what it's like in the United States and Europe," said Carl Crook, Managing Director of Montrose.

A wine exhibition in Beijing Nov. 1999, allowed many wineries to introduce their goods to the Chinese market. In the past, tariffs pushed the price of imported wine 65 percent higher. Under the new agreement, tariffs will eventually be lowered to 17 percent. But foreign wine distributors say there are still some significant obstacles. "The biggest problem that we have in China is being able to traditionally finance our business because there is no way of funding our inventories," said Montrose president Dave Henderson.

Still, the prospect of one billion additional customers is expected to drive competition between wine exporters.

CNN-Beijing, 1999.11.23, correspondent Jennifer Wolfe contributed to this report.

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Carsun, Chang. *The Development of Neo-Confucian Thought*, vol. 1, pp. 91-92, 137-138 (1957), for a brief account of Ou-yang's thought;

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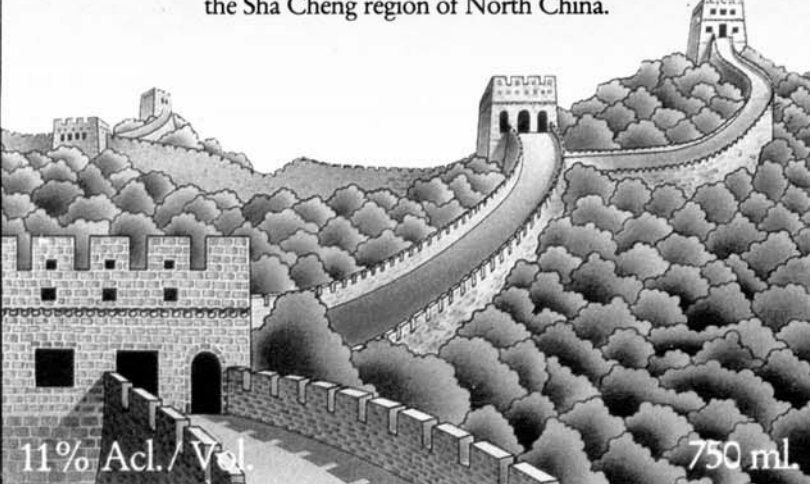
LUW-LSZ - Landbouwniversiteit Wageningen

J.Ro. - J. Robinson. *The Oxford Companion ...*,

B Index; names and subjects

GREATWALL


A medium dry white wine ®
 made from the Dragon Eye grapes grown in
 the Sha Cheng region of North China.



11% Alc./Vol.
750 ml.


Produced & Bottled by China Great Wall Wine Company Ltd., Sha Cheng, China.

長城葡萄白酒



Great Wall White Wine is made from dragon eye, an excellent variety of grape grown at the famous vineyards of Shacheng region in North China. A fine quality wine, its fruity style and medium-dry finish make it an ideal accompaniment to any dish. Served chilled, it is the right wine through the meal.

GREAT WALL WINE is receiving international acclaim. It was awarded two National Gold Medals in 1979 and 1984, a Silver Award at the 14th International Wine & Spirit Competition held in London in 1983, and another two Gold Medals at both the 3rd International Conference on Alcoholic Beverages and the 1984 International Food Fair in Paris.



C Appendices

C-1 Abbreviations used

| | |
|---------|--|
| CAS | Chinese Academy of Sciences |
| CAST | Chinese Association for Science and Technology |
| CEROF | China National Cereals, Oils & Foodstuffs Import & Export Corporation |
| CNCLI | China National Council of Light Industry |
| CPAFFC | Chinese People's Association for Friendship with Foreign Countries |
| INTTRA | International Trade and Technology Research Associates, Hongkong |
| MOFERT | Ministry of Foreign Economic Relations and Trade |
| NPC | National People's Congress |
| OIV | Office Internationale de la Vigne et du Vin, Paris |
| RMB | |
| PRC | People's Republic of China |
| SSTCC | State Science and Technology Commission of China |
| TMPAFFC | Tianjin Municipal People's Association for Friendship with Foreign Countries |

C-2 Measures and weights

Chinese:

1 km = 2 li

1 ha = 15 mu

1 kg = 2 jin

British:

1 ha = 2.47 acre

C-3 Chinese Dynasties and Historical Periods

| | | | | |
|----------------------------------|----|--------|---|----------|
| Xia | | ca.21c | - | 16 cent. |
| Shang (Yin) | | ca.16c | - | 11 c |
| Zhou: | | | | |
| Western Zhou | | ca.11c | - | 770 |
| Eastern Zhou | | 770 | - | 256 |
| Spring and Autumn Period | | 770 | - | 476 |
| Warring States Period | | 475 | - | 221 |
| Qin | | 221 | - | 206 |
| Han: | | | | |
| Western Han | BC | 206 | - | 8 AD |
| Xin | | 8 | - | 23 |
| Gengshi | | 23 | - | 25 |
| Eastern Han | | 25 | - | 220 |
| Three Kingdoms (Wei, Shu and Wu) | | 220 | - | 280 |
| Jin | | | | |
| Western Jin | | 265 | - | 316 |
| Eastern Jin | | 317 | - | 420 |
| Northern and Southern | | 420 | - | 589 |
| Sui | | 581 | - | 618 |
| Tang | | 618 | - | 907 |
| Five | | 907 | - | 960 |
| Song | | | | |
| Northern | | 960 | - | 1126 |
| Southern | | 1127 | - | 1279 |
| Kin (Jin) | | 1115 | - | 1234 |
| Yuan | | 1279 | - | 1368 |
| Ming | | 1368 | - | 1644 |
| Qing | | 1644 | - | 1911 |
| Republic of China | | 1912 | - | 1949 |
| People's Republic of China | | 1949 | - | |

C-4 Transcriptions of Chinese sounds

Wade-Giles

Pin yin

Tsingtao
ShantungQingdao
Shandong

C-5 Producers index ²⁷

- * Beijing Eastern Winery section 5.12
- Beijing dongjiao putaojiu chang; [pinying for] Beijing Eastern Winery
- Beijing youyi putao niangjiu youxian gongsi; [pinyin for] Beijing Friendship Winery
- Beijing Friendship Winery Co., Ltd; cf. Dragon Seal Wines Co.
- * Beijing Pernod Ricard Winery section 5.5
Western Suburb, Beijing
- * Beijing Winery section 5.3
old name: Shangyi Winery
2, Yu Quan Lu, Western Suburb, Beijing 100039
tel: +86 - 10 - 821 66 11; fax: +86 - 10 - 821 36 41
- Beijing xijiao putaojiu chang; [pinyin for] Beijing Winery
- * Calvin Winery Co. Ltd. section 5.24
Lianyungang
- Chang cheng; cf. Great Wall
- * Chang Yu Pioneer Wine Co., Yantai; cf. Yantai Winery
- * China Great Wall Wine Company Ltd. section 5.9
Shacheng, Huailai County, Hebei Province 075400
tel: +86.313.622 34 63; fax: +86.313.622 37 95
- * China National Cereal and Foodstuff Import and Export Corporation (CEROF)
- * Chuan Wine General Co. section 5.25
Sichuan
- * Dragon Seal Wines Corporation section 5.4
2, Yu Quan Lu, Western Suburb/Hai Dian District
Beijing 100039
tel: +86.10.821 66 11; fax: +86.10.821 36 41
- Dynasty Winery; cf. Sino-French Joint-Venture Dynasty Winery

²⁷ * present, official name; - other name

- East China Winery Co. Ltd.; cf. Sino-Foreign Joint-Venture Huadong Winery Co., Ltd.
- * Great Harmony Winery
- * Great Wall Wine Company Ltd. section 5.8
 Shacheng, Huai Lai county, Zhangjiakou, Hebei province 075400
 tel: +86.313.622 35 57; fax: +86.313.622 37 95
- Great Wall Winery; cf. Great Wall Wine Company Ltd.
- * Heavenly Palace Winery Co. section 5.30
- Huadong Winery Co. Ltd.; cf. Sino-Foreign Joint-Venture Huadong Winery Co., Ltd.
- Huadong putao niangjiu youxian gongsi; cf. Sino-Foreign Joint-Venture Huadong Winery Co., Ltd.
- * Huaxia Winery Co. section 5.33
 Hebei Province
- * Lian Yun Gang Winery section 5.32
- * LiangZhou Winery (LingZou?) section 5.28
 Gansu
- Longhui putaojiu; [pinyin for] Dragon Seal wines
- * Marco Polo Winery section 5.15
 Yantai
- Meikou Winery; old name of Qingdao Huaguan Wines & Spirits Co.
- Melchers & Co., Melco Weinkellerei, Meikou, Qingdao
- * Ming Quan Winery section 5.31
- * Qing Xu Winery
- * Qingdao Dongni Winery Co. section 5.23
 Qingdao, Shandong Province
- * Qingdao Huaguan Wines & Spirits Corporation section 5.6
 13, Silliu Nan Lu, Qingdao City 266042 Shandong province
 tel: +86.532.485 59 97 / 485 12 57
 fax: +86.532.485 66 98

- Qingdao Winery; cf. Qingdao Huaguan Wines & Spirits Co.
- Qingdao jiuchang; [pinyin for] Qingdao Winery
- * Qing Xu Winery section 5.27
- Shacheng Winery; old name, cf. Great Wall Wine Company Ltd.
- Shacheng Great Wall Winery; cf. Great Wall Wine Company Ltd.
- * Shanghai LiHua Wine Co., Ltd. section 5.22
- * Shanshan Winery section 5.29
Xinjiang
- Shagyi Winery; old name of Beijing Winery section 5.3
- * Sino-Foreign Joint-Venture Huadong Winery Co., Ltd. section 5.7
North of Nanlongkou, Laoshan, Qingdao,
Shandong Province 266102
tel: +86.532.789 89 89 / 880 75 84
fax: +86.532.789 89 89
- * Sino-French Joint-Venture Dynasty Winery Ltd. (SFJVDW) section 5.11
Xing Dian Gong Lu, Bei Chen District
300402 Tianjin (at Bo Hai Gulf)
tel: +86.22.699 11 30; fax: +86.22.699 09 96
- * Sino-Japanese Friendship Winery Co. section 5.2
- * Summer Palace section 5.14
- * Tian Ma Wines & Spirits Co. Ltd. section 5.13
- * Tonghua Winery; China National Cereal and Foodstuff Import
and Export Corp. section 5.19
Jilin Province
- Tsingtao Winery; old name of Qingdao Huaguan Wines & Spirits Corporation
- Wang chao; cf. Dynasty
- Wei mei si
- Yantai Chang Yu Pioneer Winery; old name of Yantai Winery

- Yantai jiuchang; [pinyin for] Yantai Winery
- * Yantai Winery (Changyu Pioneer Wine Co., Ltd.) section 5.1
56 Damalu, Yantai City, Shandong province 264000
tel: +86.535-624 46 14 / 661 34 84; fax: +86.535.661.34.54
e-mail: cyie@public.ytptt.sd.cn
- * Yunmont Winery section 5.16
- * Yuquan Winery section 5.26
Nixia
- * Zhe Jiang Cereals, Oils & Foodstuffs Import & Export Co., Ltd.
- Zhangyu Winery, Yantai; old name of Yantai Winery
- * Zhe Jiang Cereals, Oils & Foodstuffs Import & Export Co., Ltd. section 5.20
102 Fengqui Road, Hangzhou
tel: +86. ; fax: +86.
- * Zhengzhou Brewery section 5.10
Jinshui District, Nanyanglu 202
450053 Zhengzhou City, Henen province
tel: +86.371. 393 17 24; fax: +86.
- * Zhengzhou Oriental Wine Industry Development Co. section 5.21
- * Zhenjiang Hengshun Governmental Soysauce-Vinegar Works section 5.17
Zhongshanxilu 84
212004 Zhenjiang City
Jiangsu province
tel: +86.511.523 37 58; fax: +86.511.523 02 09
- * Zhongshan Meiyile Food Producers section 5.18
Huancheng
528455 Zhongshan City, Guangdong province
tel: +86.7654.889 13 39; fax: +86.7654.889 13 39
- Zhongfa heying putao niangjiu gongsi; [pinyin for] Sino-French Joint-Venture
Dynasty Winery Ltd.
- Zhongguo Changcheng Putaojiu Youxian Gongsi; cf. China Great Wall Wine
Company, Ltd.

C-6 Products index

- Black Rice Wine
- Black Rice Old Wine
- Calvin Calvin Winery Co. Ltd., Lianyungang
- Changyu (Cabernet) Chang Yu Pioneer Wine Co., Yantai
- China (liquor made from chinchona bark)
- Chu Yeh Ching [WG]
- Chuanyan Chuan Wine General Co., Sichuan
- Confucious Family Liquor
- Cupbrand Qing Xu Winery
- Dah Chu Chiew [WG]
- Di wang
- Dong Ni (Riesling) Qingdao Dongni Winery Co., Qingdao
- Dong jiu
- Dragon Seal Dragon Seal Wines Corporation
- Dynasty Sino-French Joint Venture Dynasty Winery, Tianjin
- Fenjiu
- Fen Jiu [WG]
- Fen Chiew [WG]
- Fu Kien Loh Chiew [WG]
- Guijingbaojiu
- Gold-prize brandy
- Gold Medal Brandy Zhangyu Winery, Yantai
- Gong Gui Beijing Winery
- Grand Dragon
- Great One
- Great Wall Huaxia Winery
- Hongdoujiu
- Hsifeng Chiew [WG]
- Huanghou Shiliujiu
- Jiannanchun
- Kaoliang
- Kao Liang [WG]
- Kuei Hua Chen Chiew (flavored with Osmanthus) Beijing Winery
- Langqu
- Lei si ling Riesling
- Lian Hua Bai Beijing Winery
- LiHua white wine | Zhengzhou Oriental Wine
- LiHua red wine | Industry Development Co.
- LiHua wild grape (liquor) Shanghai LiHua Wine Co., Ltd.

C-7 Organisations index

- Qingdao Yiqing Industrial Corporation

APPENDIX C - Alcoholic Beverage Importers in China

China Processed Food Import and Export Co.
10/F Jingxin Bldg. Jia 2, Dongsanhuanbeilu,
Beijing, 100027.
Telephone: (01) 466-0842
Facsimile: (01) 466-0641

China National Cereals, Oils and Foodstuffs Import and Export Corp.
Jingxin Building, 2A Dong San Huan Bel Lu,
Beijing 100027
Telephone: (86-1) 466-0684

Chinese Government Offices in China

China Council for Promotion of
International Trade (CCPIT)
1 Fuxing Men Waidajie,
Beijing 100860
Telephone: (01) 801-3344
Facsimile: (01) 801-1370

Customs General Administration
Building East, 6 Jian Guo Men Wai Dalie
Beijing 100730
Telephone: (01) 519-4144
Facsimile: (01) 512-6020

Guangdong Province Foreign Economic Relations and Trade Commission
305 Dongfeng Road C
Guangzhou 510030
Telephone: (020) 333-0860
Facsimile: (020) 334-4112

Guangzhou Foreign Economic Relations and Trade commission
1 Fu Qian Road, Guangzhou 510032
Telephone: (020) 333-0360
Facsimile: (020) 334-0362

Ministry of Agriculture
11 Nonzhanguan Nanli, Hepinili
Beijing 100026
Telephone: (01) 500-3366
Facsimile: (01) 500-2448

Ministry of Foreign Trade & Economic Cooperation, Guangzhou
Foreign Trade Centre Building
117 Liu Hua Road, Guangzhou 510014
Telephone: (020) 667-8000 Ext. 86011
Facsimile: (020) 667-7040

Ministry of Foreign Trade & Economic Cooperation (MOFTEC)
2 Dongchangan Jie, Dongcheng Qu
Beijing 100731
Telephone: (01) 519-8114
Facsimile: (01) 512-9568

State Economic and Trade Commission
25 Yuetan North Street, Beijing 100834
Telephone: (01) 839-2227
Facsimile: (01) 839-2222

Ministry of Foreign Trade & Economic Cooperation, Shanghai Commissioner
1 Yongfu Lu, Xuhui Qu
Shanghai 200031
Telephone: (021) 431-7212
Facsimile: (021) 431-7065

Ministry of Foreign Trade & Economic Cooperation, Tianjin Commissioner
59 Nanjing Road, Tianjin 300042
Telephone: (022) 317-060
Facsimile: (022) 307-742

Shanghai Foreign Economic Relations and Trade Commission
33 Zhongshandongyi Lu
Shanghai 200002
Telephone: (021) 323-2200
Facsimile: (021) 323-3798

State Administration of Import and Export Commodity Inspection
12 Jian Guo Men Wai Dalie,
Beijing 100022
Telephone: (02) 500-3344
Facsimile: (02) 500-2387

176

Ministry of Foreign Affairs
225 Chaoyangmennei Dalie, Dongsi
Beijing 100701
Telephone: (01) 513-5566
Facsimile: (01) 512-9568

China Chamber of Commerce for Import/Export of Foodstuffs, Native Produce, and
Animal By-products
95 Beiheyuan Dajie
Dongcheng, Beijing, China
Telephone: (86-10) 6513-2569
Facsimile: (86-10) 6513-9064

China Chamber of International Commerce
1 Fuxingmenwai Dajie, Beijing
Telephone: (86-10) 6851-3344
Facsimile: (86-10) 6851-1370

Chamber of Commerce CCPIT Shanghai Sub-Council
14/F New Town Mansion
55 Loushanguan Lu
Shanghai, China
Telephone: (86-21) 6275-0700
Facsimile: (86-21) 6275-6364

C-8 Addresses of educational and research institutes

Institutions for education in agricultural sciences

| Agricultural Universities: | catalog page: |
|---|---------------|
| under jurisdiction of the Ministry of Agriculture - | |
| - Beijing Agricultural University ** Beijing | 24 |
| - Shanxi Agricultural University * Taigu County, Shanxi | 91 |
| - Nanjing Agricultural University * Nanjing, Jiangsu | 215 |
| - Huazong Agricultural University *? Wuhan, Hubei | 325 |
| - South China Agricultural University * Guangzhou, Guangdong | 355 |
| - Southwest Agricultural University * Chongqing, Sichuan | 390 |
| - Northwest Agricultural University * Xianyang, Shaanxi | 439 |
| also - | |
| - Beijing University of Agricultural Engineering * | 23 |
| under jurisdiction of the Provincial Governments - | |
| - Hebei Agricultural University Baoding, Hebei Province | 77 |
| - Zhejiang Agricultural University Hangzhou, Zhejiang Province | 237 |
| - Jiangxi Agricultural University * Nanchang, Jiangxi Province | 277 |
| - Shandong Agricultural University Taian City, Shandong Province | 290 |
| - Sichuan Agricultural University Yaan City, Sichuan Province | 386 |
| - Yunnan Agricultural University Kunming, Yunnan Province | 417 |
| - Gansu Agricultural University Huangyang Town, Gansu Province | 455 |

** Leading university

* Key university

National and regional research centres

Institutes:

| | | |
|---|---|-----|
| under jurisdiction of the Ministry of Agriculture - | | |
| - | Shenyang Agricultural Institute * | 114 |
| | Shenyang, Liaoning | |
| - | Shihezi Agricultural Institute | 474 |
| | Shihezi, Xinjiang | |
| under jurisdiction of the Ministry of Commerce - | | |
| - | Zhengzhou Institute for Cereal Preservation and Processing | 304 |
| | Zhengzhou, Henan | |
| under jurisdiction of the Provincial Governments - | | |
| - | Inner Mongolia Institute of Agriculture and Animal Husbandry | 99 |
| | Hohhot, Inner Mongolia Autonomous Region | |
| - | Northeast Agricultural Institute | 155 |
| | Harbin, Heilongjiang Province | |
| - | Jiangsu Agricultural Institute | 216 |
| | Yangzhou, Jiangsu Province | |
| - | Anhui Agricultural Institute | 253 |
| | Hefei, Anhui Province | |
| - | Fujian Agricultural Institute | 267 |
| | Fuzhou, Fujian Province | |
| - | Hunan Agricultural Institute | 345 |
| | Changsha, Hunan Province | |
| - | Guangxi Agricultural Institute | 369 |
| | Nanning, Guangxi Zhuang Autonomous Region | |
| - | Guizhou Agricultural College | 406 |
| | Guiyang, Guizhou Province | |
| - | Xinjiang Aug.1st Agricultural Institute | 475 |
| | Urumqi, Xinjiang Uygur Autonomous Region | |

C-9 Acknowledgements

Visits

kindly organised by the Chinese People's Association for Friendship with Foreign Countries (CPAFFC)

Sino-French Joint-Venture Dynasty Winery Ltd. (SFJVDW) 1996.03.22

present:

Tianjin Municipal People's Association for Friendship with Foreign Countries:

- Mr. Song Feng Xin, Director

- Mr. Miao Changchun, Deputy Director

Tianjin State Farm Administration Bureau:

- Mr. Song Yan Dong, Foreign Economy Liaison Office, Chief

- Mr. Li Xue Jun, do., Vice Director

Sino-French JVDW:

- Mr. Xu Wen Heng, Vice-Director of the Board, General Manager

- Mr. Yao Zhong Qiang, Vice General Manager

- Mr. Sun Shu Pei, Propagate Dept. Section

not available: Mr. Pierre Delair, Remy Martin, Tasting Expert, Wine & Spirit

Technical Advisor

CPAFFC:

- Ms. Zhang Yongqing

General orientation on Qingdao Yiqing Industrial Corporation
and on both the Qingdao Huaguan and the Huadong Wineries:

1996.03.24

present:

Qingdao Yiqing Industrial Corporation:

- Mr. Zhang Jian Hua, Vice General Manager

Qingdao Huaguan Wines & Spirits Co:

- Mr. Li Guizhang, Vice General Manager

Sino-Foreign Joint-Venture Huadong Winery Co., Ltd:

- Mr. Lin Ke Qiang, General Manager

Qingdao People's Association for Friendship with Foreign Countries (QPAFFC):

- Ms. Zhong Wen

CPAFFC:

- Ms. Zhang Yongqing

Plant visit Qingdao Huaguan Winery 1996.03.25
present:

- Mr. Li Guizhang, Vice General Manager
- Mr. Tao Wei Ru, Vice General Manager
- Mr. Lu Ming Zhong, Translator
QPAFFC:
- Ms. Zhong Wen
CPAFFC:
- Ms. Zhang Yongqing

Plant visit Huadong Winery 1996.03.25
present:

- Mr. Lin Ke Qiang, General Manager
- Mr. Wu Li Zhu, Production Manager & Winemaker
- Ms. Karen Lin, Secretary to the GM Office
QPAFFC:
- Ms. Zhong Wen
CPAFFC:
- Ms. Zhang Yongqing

Visit North West Agricultural University 1996.04.10
present:

North West Agricultural University, College of Enology:
- Prof.dr. Li Hua
- Mrs. Li
- Mr. Sheng Zhong Xun
Xi'an Jiaotong University:
- Prof. Guan Xiaohong

Beijing Winery, Beijing Dragon Seal Wines Co.
and Beijing Pernod Ricard Winery Co. Ltd. 1996.04.12
present:

- Mr. Jin Sheng, Deputy General Manager
- Mr. Zhao Hongju, Senior Engineer, Administration Office Manager
CPAFFC:
- Ms. Zhang Yongqing

Great Wall Wine Company Ltd.
and China Great Wall Wine Company Ltd: 1996.04.12

present:

- Ms. Tian Ya Li, Member of the Board, Vice-general Manager, Tasting Committee Member of the International Food and Beverage Association;
- Mr. Hu Zhen Guo, Manager of the Produce Department;
Foreign Affairs Office & Overseas Chinese Affairs Office & Tourist Bureau of Zhangjiakou Municipal Government:
- Mr. Hu Wei, Vice-director;
CPAFFC:
- Ms. Zhang Yongqing.

Ministry of Agriculture 1996.04.15

present:

- Mr. Wang Xiaobing, Project Officer, Department of Agriculture
CPAFFC:
- Ms. Zhang Yongqing

China National Council of Light Industry (CNCLI) 1996.04.15

present:

- Ms. Goa Mei Shu, Senior Engineer, Winemaking Association
- Ms. Liu Zong Hui, Programme Officer, Liaison Division,
Department of International Cooperation, CNCLI
CPAFFC:
- Ms. Zhang Yongqing