

TIME FOR CHINA'S WINE PRODUCERS TO TAKE STOCK?

17

Like everything else in the country, wine production has developed at breakneck speed in China with area under vine for wine grapes rising to 100,000 hectares in just a couple of decades. **Weidong Huang**, a professor at the China Agricultural University, reviewed the current situation and outlined both challenges and prospects for the future.

The rapid development of China's modern wine industry began in the mid-1990s when the State promulgated national standards for wine production. Between 2000 and 2013, the pace of growth increased in a bid to match the surge in wine consumption. Since 2013, however, a period of adjustment has occurred, mirroring a slowdown in consumption of Chinese wines, particularly in cities such as Shanghai, Guangzhou and Shenzhen. This has resulted in a decline in domestic wine growth and a rise in imports; in the first half of 2016, imports are reported to have soared by 55%. The period is perhaps conducive to taking stock of the current situation, analysing the most suitable locations for the different grape varieties, introducing classification, identification and regulatory systems and dividing up wine areas rationally.

According to Weidong Huang, these initiatives are long overdue and are prerequisites if China is to fully realise its potential as a wine producer, not only in the domestic market but also overseas.

Differentiation is pivotal to healthy development

China's wine regions are distributed widely over the country, though mostly located in Shandong, Hebei, Jilin, Tianjin, Xingiang, Ningxia, Beijing and Gansu; the Jiaodong Peninsula Area in Shandong accounts for approximately half of national wine

production and in 2015 was home to 221 wine firms. Some southern provinces such as Guangxi, Yunnan, Sichuan, Guizhou and Jiangxi are also planning to develop wine industries. Just like other major producer countries, China boasts significant climatic and ecological variations, allowing its wine proposition to run the gamut from varieties suited to hot climates, like Marselan, through to ice wine, including red versions made from the Beibinghong variety. There are already indications as to which varieties perform best in the different regions but Weidong Huang believes more research is needed. To survive in an era of global competition and open markets, he is adamant that China has to develop distinctive regional and varietal features which include further subdividing the country into county-level, village-level and even winery-level echelons.

The distinct Europeanisation of the country's wine industry makes creating points of difference essential to avoid being subsumed into mass production, particularly given the current tendency to focus on low-end products. Irregularities by wineries and wine companies need to be addressed, he claimed, and standardisation of advertising and labelling must occur to achieve credibility, the core of healthy and secure development of a wine industry. In addition to a tracking system and generalisation of best practice, similarly aimed at securing credibility, a diverse product base must also be developed to respond to the gradual shift in consumer focus from quantity to quality-driven. Also, and this is also true for imports, the intrinsic cultural nature of wine means that local culture and customs, particularly food culture, must be taken on board if the wine industry is to develop and Weidong Huang believes there is the potential to better promote wine as a healthy lifestyle product. In a country where just 1.85% of alcoholic beverage output is wine, to say there is considerable latitude for development is a huge understatement...