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Hong Kong Love of Wine Finds New Outlets



Michael Chung/The 8th Estate Winery

The 8th Estate Winery, located in a Hong Kong warehouse.

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HONG KONG — When the Hong Kong government eliminated a 40 percent tax on wine last year, oenophiles, importers, retailers and entrepreneurs popped open the bubbly. Then they quickly got down to business.

Auction houses rushed to hold multimillion-dollar sales. Neighborhood wine shops, classes, tastings and workshops appeared where there had been none before. Jeannie Cho Lee, a Master of Wine, is releasing her first book, “Asian Palate,” here next month.

And two major wine expositions were organized, with two more on the way: The Hong Kong International Wine and Spirits Fair in the coming week and Vinexpo Asia-Pacific next spring.

Give this city a 40 percent price cut, and it runs with it.

Wine imports soared 80 percent in the 12 months after the tax was dropped, in February 2008, to a total of 3.2 billion Hong Kong dollars, or about \$400 million, according to the Hong Kong Trade Development Council. As a comparison, mainland China, with a population of 1.3 billion, imported \$184 million worth of wine in 2007, though that number is expected to grow.

Although some of these enterprises might find success elusive because of the hard economic times or the sudden saturation of the market, the heightened interest in wine is palpable.

Two new companies in particular are taking novel approaches to wine-related services here.

At the top end of the market is Sarment, which started a custom sommelier service in Hong Kong and London in May.

A quirkier enterprise is The 8th Estate Winery, which is not going to let a little inconvenience — the fact that Hong Kong has little arable land and no vineyards — get in its way. Using imported flash-frozen grapes, it presses, ferments, ages and bottles its own wines in a Hong Kong high-rise. It opened for business in December 2008, and most of its wines are becoming ready now.

Sarment offers round-the-clock, individual access to top sommeliers to a small number of clients. It offered 25 memberships this year, of which 18 have been reserved, and is planning to have no more than 450. There is a membership fee of £50,000, or \$83,000, plus a £12,000 annual fee.

The service employs four sommeliers, all of whom have worked at restaurants with two- or three-star Michelin ratings.

“It’s very much one-on-one service,” said Niels Sherry, the company’s managing director, during a trip to Hong Kong from London, where he is based. “Our sommelier will visit you in your home, look at your cellar and make suggestions. If someone was in a restaurant and couldn’t decide between the ’95 and the ’96, he could text one of our experts.”

“Some people are going to enjoy pulling out their phone and saying, ‘I’m going to call my sommelier!’ Others will be more discreet,” he said.

While limited in number, the clientele varies greatly.

“Some clients have thousands of bottles. Another has just finished a new house and has no bottles. He wants us to help him start from scratch,” Mr. Sherry said. “We have older, experienced collectors, as well as newer wine lovers, especially from China and Russia.”

Philippe Messy, a sommelier based in London and one of Sarment’s co-founders, said he wanted to push clients past “just Lafite-Rothschild and Pétrus.”

“We learn about your tastes and requirements, and then we challenge you,” said Mr. Messy, who was also visiting Hong Kong.

He also said the service could help oenophiles, particularly in burgeoning markets like Hong Kong, from getting carried away by the frenzy of buying and selling.

“We see bottles going for auction here in Hong Kong, selling for three times the estimated price,” Mr. Messy said. He added that Sarment was able to secure hard-to-find bottles directly from winemakers and collectors all over the world.

But the company does not allow its employees to sell wines or to charge a commission on any sale. “We are not wine merchants,” said Richard Green, managing director for Asia. “We’re unbiased.”

Mr. Sherry said one client was recently offered a bottle of Louis XII Black Pearl cognac for €60,000. A Sarment sommelier advised that it was worth far less, and the deal fell through.

The bottles at a recent tasting at The 8th Estate, named in part because eight is a lucky number in Chinese culture, were significantly less expensive, averaging about 250 Hong Kong dollars, or \$30.

Its 2007 vintage, made of grapes from Washington State, yielded whites, reds and dessert wines. The 2008 grapes were mostly from Italy. The company is looking at Australian harvests for future vintages.

Dozens of visitors, mostly from Hong Kong and wielding digital cameras, milled around rooms filled with oak barrels and lit with chandeliers.

Lysanne Tusar, a director at the winery, said that most of its initial sales had been of the finished product. Customers liked the novelty of having a wine made in the urban center of Hong Kong.

But their goal is to sell custom wines to serious wine lovers by the barrel. The price of a barrel, which yields at least 280 bottles, starts at 66,000 Hong Kong dollars.

“With the advice of our winemaker, you can create your own,” Ms. Tusar said. “You can mix varietals, you can customize your own label. It’s very popular with corporations, weddings or as an anniversary gift.”

Their grapes are shipped to a 1,100-square-meter, or 12,000-square-foot, warehouse in Hong Kong, where they are thawed, fermented, pressed, fermented again and aged in oak barrels from 6 to 30 months.

Representatives from The 8th Estate and Sarment said they had started planning their companies even before the wine tax was scrapped.

“We already felt, several years ago, that Hong Kong would be a good opportunity,” Mr. Sherry said.