# Chinese wine market comes of age

## 31 Mar 2008 by Simon Tam

The Associated Press and International Herald Tribune are now confirming my story first reported here back in mid-March. They have confirmed that "Shanghai customs have detained an executive of at least one major wine importer in a broad inspection of the industry."

According to the story, Don St Pierre Sr of ASC Fine Wines confirmed in an email to the AP that his son was among those being held. Yin Zong, spokesperson for Shanghai Customs office is quoted as saying, "We are cracking down on some wine importing companies that are suspected of falsifying prices and the case has been handed over to the Customs Smuggling Prevention Department."

Unofficial estimates put the under-declared value at more than 60% of China's total imports. While the customs crackdown and yet-to-be-finalized punishment for the four companies rumoured to be caught up in the elaborate scheme of devaluing the price of their wine on customs declaration forms to reduce their tax burden has yet to be fully revealed, in many ways the die has already been cast.

What this story ends up being is something so much bigger than fines and elaborate schemes of shell companies, falsified documents and missing millions in imports. While the sensationalism of fines and detentions will continue to grab the headlines, the slow story that will filter out between the lines of print is that of a wine industry growing up.

This is no longer the wild west of wine countries. The maverick tactics of smuggling, bribing with cases of first growths and buying off exclusivity of wine lists for tens of thousands of RMB are all bound to bite the dust along with the falsified customs documents.

The Chinese wine industry is coming of age. Customs is wising up. Loopholes are closing up. And the only thing we can be sure won't change is the increasing rate of wine consumption as more and more Chinese give up their bottles of beer and fiery Chinese *bai jiu* for a glass of fine wine.

We will remember this moment as a watershed period in the growth of China's wine industry. Not for fines or detentions or for how many companies end up being taken to task, but for how this one moment will forever be emblematic of changes long since started, yet still just gaining steam.