

## „THE CHINA MEMO“

5 years ago we have started our mission in China. The goal was to import premium wine FROM China to all of Europe and to export our wines TO China (namely Laurenz V. Gruners, Prince of Hesse Rieslings). We did figure that China being a red wine loving country at the time will be hit by the white wine boom one day as well. Together with ever growing consumption (at a rate of 15-20 % a year) this means enormous demand.

The most important topic in dealing with China and its people is to understand the culture and to gain mutual trust. We were lucky enough to find a Chinese living in Frankfurt, who did travel 14 times together with us to seek a suitable partner and to create a very good business relationship – lucky we were to find Changyu Pioneer Winery, Yantai, on our first visit. Yet it took us 5 full years to come to a meaningful contract situation – already being executed:

- a. **Importing** a premium organic red from Changyu, Ningxia region for all of Europe. This will be an indigenous grape, Cabernet Gernischt (Cabernet Sauvignon x Cabernet Franc), elevated at 1.100 m altitude in the yellow river region of Yinchuan. The main aim was to reduce the yield per hectare to 9.000 kg in order to get the perfect fruit being processed in the hypermodern local pressing and fermentation center. Changyu being the leading force in the Chinese wine industry with a sustained growth rate of 20% over the last 10 years. The first shipments of this wine will take place in May 2011.
- b. **Exporting** Laurenz V. Gruners to China through the newly formed Changyu import division. China being the 6<sup>th</sup> largest wine producer in the world already, it still needs to import to fulfill the exponential growth in wine consumption. Especially the whites are in short supply as the white grape acreage in China is well below 10%. 2.000 Changyu sales people will help to distribute Gruners in all 30 Chinese provinces (the first containers on the water already) – and hopefully Prince of Hesse Rieslings soon too.

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