

## Financial Times

# China reaps a vintage European crop

By Gideon Rachman

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The news earlier this month that three bottles of Château Lafite, from the 1869 vintage, had sold at auction in Hong Kong for £437,900 gives a new meaning to the “China price”. This phrase usually means the lowest price – reflecting the competitiveness of Chinese manufacturers. But there is also a “China price” at the top end of the market, as rich Chinese bid up the price of rare, [luxury goods](#) to levels that make western rivals go pale and slink out of the auction room.

Some might see this as a classic symptom of a bubble economy about to pop. Certainly the breathless reports from today’s [Hong Kong wine auctions](#) are oddly reminiscent of the late 1980s, when Japanese buyers were paying unheard of prices for Impressionist art – and sprinkling gold leaf on to their food into the bargain.

On the other hand, with Europe in deep economic trouble, it is difficult to avoid drawing an obvious moral about the transfer of wealth and power from west to east, as intoxicatingly rich Asian buyers snap up the treasures of old Europe – from property, to art, to fine wine. Hong Kong – rather than Paris, London or New York – is now the most lucrative wine market in the world, and the impact on prices is spectacular.

Over the past decade I have inadvertently conducted a controlled experiment that has allowed me to track the soaring price of Château Lafite, one of the five wines rated as “first growths” in the famous 1855 classification – the very best of red Bordeaux. In 2000, I decided that it would be a nice idea to buy each of my children a case of wine produced in the year they were born – to be drunk when they turned 21.

My daughter was born in 1993, which was not a great year in Bordeaux. The man from Farr Vintners advised that, from that vintage, only Lafite was certain to last 21 years. Even then, Lafite seemed intimidatingly expensive, so I bought just three magnums (the equivalent of six bottles), topping up the purchase with six bottles of Léoville-Las-Cases (1993) – which is a second growth, just one notch below Lafite. Last week, I asked for a valuation of the wine – which is still sitting in a cellar.

My three magnums had gone up by about 800 per cent in value over a decade. But the price of the Léoville-Las-Cases has barely budged. It is the very top brands that the [Chinese buyers](#) are after. And yet

even the most dedicated connoisseurs of wine cannot tell the difference between Château Lafite and much cheaper wines. I can say this with certainty, having attended a comparative tasting in Davos in 2008.

Jancis Robinson of the Financial Times had selected [11 wines from 2001](#) – five were top Bordeaux, including Lafite and Latour. Six were new world wines. The group at the dinner, mainly wealthy wine-lovers, tasted all 11 wines “blind” – and then ranked them. The new world wines came comfortably top. Lafite finished close to last. The top-ranked Bordeaux was Latour, which came in fifth.

But Château Lafite 2001 currently sells for about £800 a bottle; whereas you can still get the wines that tasted better in Davos, Moss Wood cabernet from Australia and Vergelegen from South Africa, for £43 and £14, respectively. Bordeaux fans could argue that new world wines are powerful and alcoholic, so tend to stand out in group tastings. We may also have drunk the Lafite too early.

Rationalisations aside, Lafite-mania clearly has little to do with the taste of the wine. If you were being charitable, I guess you could say that Lafite is a great and ancient name – and that has a value; in the same way that a real Van Gogh is much more valuable than an identical fake.

But it is also clear that for some people, the staggering expense of the wine is an attraction, not a deterrent. If you are trying to impress your father-in-law or a business partner in Hong Kong – what better way than to serve a wine that is known to be mind-numbingly costly?

That still leaves the question of why Château Lafite has become the star of the auction rooms, rather than some other wine. Partly, it is shrewd marketing. The people from Lafite have deliberately gone after the Chinese market. They recently announced that the label for the 2008 vintage would feature a Chinese symbol for the figure eight – which is deemed to be a lucky number. Some speculate that Lafite’s popularity in China is partly because it is easier to pronounce than its rival first-growths. A case of Lafite (2009) currently goes for about £16,000 – double the price of the unpronounceable Haut-Brion.

For Europeans, staring bankruptcy in the face, China’s wine mania should be encouraging. Lafite is now a premium brand and Europe has plenty of those: Louis Vuitton, Lamborghini, the Louvre, Lafite. And that is just the letter L! Think of all the brands Europe can market in Asia, once we start working our way through the alphabet systematically.

Of course, there is something slightly humbling about the fact that the creation of a “China price” for Lafite has made actually drinking the wine almost unthinkable. I will probably sell my daughter’s three magnums of Lafite – which are now worth the equivalent of two terms’ university fees. I could use some of the balance to buy her a case of Vergelegen for £170. I’ve heard it’s just as good.

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