



**New channel of growth:** The variety of wines available in Singapore (left) has expanded as demand increases. High Spirits owner Piyush Modi (above) showing some products which he is exhibiting at the new Spirits Pavilion in the Wine For Asia fair. The fair drew just over 3,000 attendees last year (top).

## Niches, fairs to drink to

Some areas of Singapore's wine industry are showing promise as palates become more sophisticated, reports **CHRISTOPHER LIM**

**W**HEN Hong Kong slashed its alcohol taxes to zero last year, it put a dent in Singapore's attempts to grow as a wine business hub of Asia. Without the huge mainland Chinese market in its backyard, wine businesses have also found it a challenge to grow the local industry, even as Singaporean palates become more sophisticated and the demand for more variety increases.

However, recent activity has shown that the industry is not being stymied by Hong Kong. It has instead found several niche areas that are showing some promise.

### Wine conferences and fairs

This is turning out to be an area of growth as organisers see greater interest from consumers in learning more about wine while distributors, retailers and restaurateurs reap benefits from visibility, networking and co-operation.

This week, for example, sees the International Congress of Chinese Cuisine & Wine (ICCCW) and Wine For Asia (WFA), running back-to-back, while the Singapore Wine Fiesta starts at the end of the month.

The ICCCW conference was founded last year by local publisher and columnist Ch'ng Poh Tiong, and it's a feather in Singapore's hat that after its first year in Beijing, he brought it here instead of tax-free Hong Kong, although it will be touring there next year.

"The choice of venue is not dictated by local tax regimes vis-a-vis wine," explains Ch'ng. "Our goal is to spread the concept, and culture, of wine with Chinese cuisine wherever Chinese cuisine is highly appreciated."

The two-day ICCCW ended on Tuesday, and was held across the Lee Koo, Silkroad and Jade Palace restaurants. The pay-off of having a wine conference such as the ICCCW in Singapore is the visibility that it brings to Chinese cuisine in Singapore, which is a mainstream strength, as well as the growth in the practice of pairing wine with Chinese food, which is a growing niche.

"If you look around in Chinese restaurants, whether in Singapore, Hong Kong or China, it is no longer uncommon to see customers having a bottle of wine," Ch'ng comments.

WFA, meanwhile, remains Singapore's largest wine fair in terms of attendance, drawing just over 3,000 attendees last year. This year's instalment started yesterday and ends tomorrow, at Suntec Singapore.

The fair's project director, Joel Lee aims to boost attendance this year by 25 per cent, and to this end, he's banking on innovations such as a Spirits Pavilion to consolidate the scattered spirits offerings that are on offer as niche products amid the wine booths.

This move towards diversifying away from WFA's core wine focus is more than a casual experiment, and one new local company, High Spirits, is participating in the fair this year specifically in the hopes of widening its distribution channels regionally, according to owner and director Piyush Modi.

In turn, Lee is even open to the possibility of spinning off a Spirits For Asia show down the road if the Spirits Pavilion is well received.

The Singapore Wine Fiesta, like the ICCCW, is only in its second year and therefore remains smaller-scale than WFA, which is in its seventh. It aims to beat WFA in terms of attendance growth though, by doubling last year's figure of 1,500 this year.

"We are looking for smaller, more boutique wineries," says Kathy Lim Sheehy, chief executive of the Wine Fiesta's organiser, the Singapore Straits Wine Company.

"We've found some handmade artisan wines like David Franz, and we have more Italian wineries and some German wineries this year," Lee Sheehy adds.

"The Fiesta is more than three times the size this year.



**Growing market:** (Above, from left to right) Panellists Caillard, Wolf Blass senior winemaker Matt O'Leary, Cho Lee and Ch'ng at the two-day ICCCW event which included a vertical tasting of Wolf Blass Black Label wine from the vintages 2001-2006 (below, left). Food-friendly wines such as the Austrian Gruner Veltliner (below, right) are being exploited at the restaurant level to feed food-and-wine pairing demand.



We have a lot of support from the wineries - they have been very kind to fly down for the event."

### Niche wines

While fairs like the Wine Fiesta are hoping to feature large-scale consolidation of many niche wines, individual niches are being exploited at the restaurant level by people such as the Esmeralda Group, which is holding a month-long Austrian Wine Celebration starting on Oct 27 and ending on Nov 30.

"Singapore is a country where the wine drinkers are sophisticated and have access to wines from around the world, but Austrian wines have always been under-represented," says Wolfgang Lapper, co-owner of the Esmeralda Group. "With this promotion, we hope to create more awareness and elevate the appreciation of these gems."

Michael Thurner, chief executive of distributor Austria's Fine Brands, declares that "Austrian wines are the next big thing in terms of their value for money and excitement". Thurner adds that Singaporean wine lovers are looking for more excitement. "There have never been such food-friendly wines around like Austrian Gruner Veltliner," he says. "People like food and wine pairings very much in this country, and many Austrian wines are per-



fect for this." At the retail level, Artisan Cellars specialises in boutique wines such as the grower Champagne Nicolas Maillart, and Fourrier and Olivier Bernstein from Burgundy.

"Smaller retailers like us have to be distinctive and have a purpose that is different than the others, otherwise we would be perceived as having nothing to offer that is either of higher quality, better value or unique compared to the bigger players," reveals Artisan's general manager Henry Hariyono.

"Bringing a unique set of wines is one key means for expressing such a differentiating factor, as well as having a unique approach to engaging the customers."

This is the same kind of thinking behind Swiss Dreams Singapore, which brings in Swiss wines from Mauler & Cie and Domaine Zweifel, and whose founder Shumit Chanda has been championing country-specific product differentiation.

The niche wine market leverages on market sophistica-

tion, and therefore couldn't have happened any earlier in Singapore.

"One would have been hard-pressed to find niche wines previously," says Emil Teo, executive director of distributor Taste of Tradition that distributes boutique wines such as Giacomo Conterno from Italy, Marc Sorrel from France, and Sine Qua Non from the United States that produces only 3,000 cases a year.

"But with Singapore's growing economy, and the establishment of high-end restaurants, wine bars, wine shops and wine-education programmes, the wine industry has blossomed, and with it, the growth of the niche wines market," Teo adds. "The future is exciting for boutique wines."

### Auctions

The push towards niche wines and the growth of wine conferences and fairs still conspicuously leaves out the commercial auction market, which remains dominated in this region by Hong Kong. Both WFA and the Wine Fiesta have benefited from the wine-duty concessions introduced in Singapore's Budget this year, which allow roughly three bottles per label to be exempt from duties for each day of a conference or exhibition.

But this doesn't apply to auctions, which have to rely on a bonded warehouse system that allows duties to be suspended on auctioned wines, provided they remain in warehouses and aren't brought into Singapore's domestic market.

This sort of warehousing approach doesn't really work because it's too much trouble," says Andrew Caillard, Master of Wine, and Fine Wine Principal of Langton's Wine Auctions and Exchange company in Australia, who was here for both ICCCW and WFA. "But I'm not certain it would be worth Singapore's while to enter the whole auction market and lose revenue from dropping taxes altogether," he adds. "Singapore doesn't have China on its doorstep and Hong Kong might even go back to taxing wine in future, so maybe the country should wait it out."

Tan Kim Hai, general manager of local distributor Pinnacle Wine & Spirits, begs to differ. "We will never know whether the loss in tax revenue would be made up for by auctions unless we give it a try," he says. "Wine auctions would also add to Singapore's ecosystem, and could have all sorts of spin-off benefits that might benefit the economy, such as tourism and a raised profile for Singapore as a wine hub."

WFA project director Lee also thinks that Singapore might be able to compete successfully against Hong Kong in the auction market. "Warehousing in Hong Kong is several times more expensive than Singapore so we could be attractive if we eliminated duties," says Lee.

Meanwhile, the concrete benefits of Hong Kong's abolishment of all wine duties last year still haven't trickled down to the territory's economy as whole yet, according to wine author Jeannie Cho Lee.

Cho Lee, Asia's first Master of Wine, is based in Hong Kong, and was here as an ICCCW panellist. "It's obviously benefited the auction scene and high-end fine wine market, but I still haven't seen the benefits of abolishing wine duties trickling down to the rest of Hong Kong's wine market yet," she says.

If Cho Lee is correct, the exact benefits of wine tax abolition for Hong Kong aren't even certain, so perhaps Singapore might be better served by focusing on building up wine conferences and fairs, and leveraging on unexplored niche labels and wine regions.

However, the biggest wine fair in the region, the biennial Vinexpo Asia-Pacific, has still passed Singapore by. Both the previous iteration last year, and the next one in May next year, have gone to Hong Kong. Hopefully, Singapore will eventually attract the fair here along with the significant accompanying tourist traffic and revenue.

Additional reporting by MELISSA LWEE