

Subject

**BERRY BROS. & RUDD HONG KONG**

Date : SEP 2009

---

Source : THE PEAK

---

Page : 116-118

---

Ref : 20,000

---

Ref : 20,000

PASSION



# FLIRTING WITH ITALY

Old favourites draw high bids at regular auctions, but some merchants are not entirely convinced of the investment potential of Italian wines

TEXT: FLE KWAY

116 SEPTEMBER THE PEAK

Opening page:  
Barolo is a top draw  
at Zachy's Wine  
Auctions. Right:  
Selections from IWM.  
Below: Christie's is  
auctioning a great  
Italian lot this month.

In March, a New York company IWM set up office in Hong Kong. The acronym stands for Italian Wine Merchants and the company is setting something of a new standard on our shores. Its focus, as its names indicates, is Italian wines, with brokers procuring classics alongside undiscovered wines from new producers. Requests are accommodated via portfolio managers, who tailor collections and manage cellars. IWM also runs an investment leg, for those who wish to speculate.

Once upon a time, Italian wine was hard to decipher, but now that cloud is lifting. Top auction house Zachys sold off 10 Italian lots in April. In June, another bidder celebrated winning a magnum of the Tuscan wine, Sassicaia, by opening the bottle while still at the auction. The lot was his for HK\$31,460.

Michael Jessen, auction director of Zachys Wine Auctions, says interest in Italian wines has increased over the last few decades, adding that the country's produce is an important segment of business.

Sassicaia, along with others such as Ornellaia and Tignanello, fall under the new wave of Italian winemaking introduced in Tuscany in the 1970s, as winemakers began to experiment away from traditional methods enforced by regulators. Ground-breaking at the time, experimental winemakers began using Bordeaux as inspiration incorporating both French grapes and techniques in production. It wasn't long before critic Robert Parker, known for his love of Bordeaux wines and in no small part responsible for its rise in popularity, also began to champion Tuscany's new wines, coining the terms super-Tuscans. Interest, and prices, rose accordingly.

But attention is not solely on this newer variety. The north's fine wines, most notably from the Piedmont region, are still made according to old regulations. Two top grades carry either a D.O.C or D.O.C.G. classification, and can be compared to the French AOC system.

Barolo, made of nebbiolo grapes, has been called Italy's greatest wine and attracts high prices. Wildly tannic in its youth, Barolo softens as it ages and should be left at least 10 years before opening. Barbaresco from the same grape and region also draws respect. A top producer here is Angelo Gaja. His single-vineyard bottlings – Sori San Lorenzo, Sori Tildin and Costa Russi – have commanded high prices at auction.

On paper, Italian looks like a hot pick. IWM's Christina Keung factors that investors can expect a six per cent return. "Big vintages definitely more." Statistics on Wineprices.com shows that the Italy 25, which indexed the 25 most actively-traded Italian wines from January 2005 to April 2009 shows the wines regularly

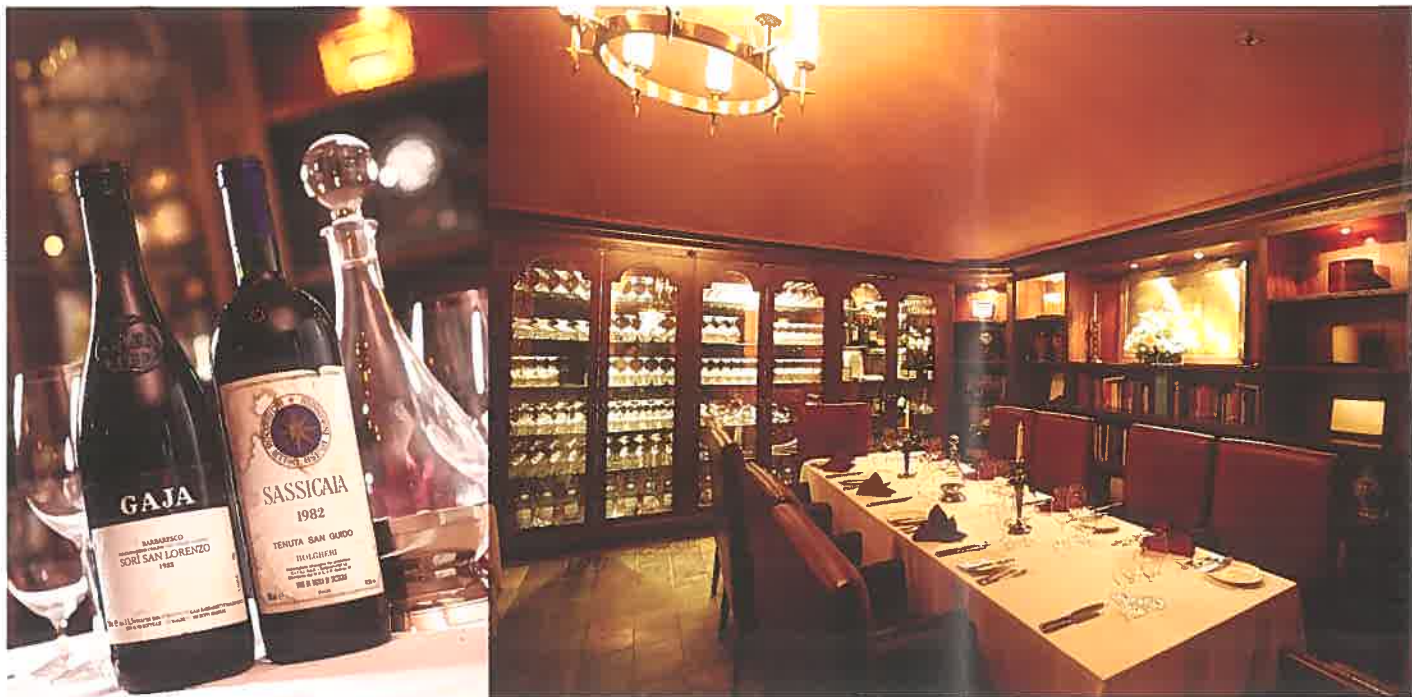


out-performing the Dow Jones Industrial Average, especially since the financial crisis.

But not everyone is swayed by the investment potential. At a recent gathering held by CITIC Ka Wah bank to introduce CITICFirst customers to wine investment, only Bordeaux was recommended. Chief Financial Officer of Asia Wine Service and Education Centres, Corinne Mui, who was speaking at the event, explains: "You can make money, but

THE PEAK SEPTEMBER 117

## PASSION



▲ Gaja's single vineyard Sori San Lorenzo attracts fans, and Sassicaia, the label that started a positive trend for Italian wines. Right: IWM stores some of its wine collection at Crown Wine Cellars

only if the cycle has come around again." Berry Brothers and Rudd, another leading fine wine merchant in Hong Kong, goes a step further. "None of us in the UK office would look at Italian wine as an investment. There just isn't a strong enough market for it," says Joss Fowler from the company's fine wine department in London. "The super-Tuscans all did well about 10 years ago, when they were the next big thing, but then that fizzled out. They can occasionally do well still, but you're essentially betting on Parker points."

Parker's opinions cannot be ignored. Together with France's extensive marketing and continued efforts to push Bordeaux in Asia, the critic has influenced many a price tag. The fact that his attention to super-Tuscans can be erratic must also surely point to sketchy auction action. Not surprisingly many top lots at Zachys were presented with Parker's scores alongside.

### New find

Beatrice Segoni is a renowned Italian chef who recently flew into Hong Kong to unveil Tuscany's culinary delights in a special menu for the Habitu restaurant in Tsim Sha Tsui. Over a dish of seafood steeped in a rich tomato broth, she explains that Italy's wines are as varied as its cuisines, morphing into regional specialities, and have evolved to match the food.

Segoni wasn't shy saying that super-Tuscans have become overpriced, but have paved the way for innovations by younger producers.

One of her personal favourites is a female duo, sisters Padovani, who front Campi Di Fonterenza, which began producing wine in 2002.

In December last year, London's *Guardian*, citing a farming group, reported Italy's

rise to world's top wine producer, beating out France for the first time in a decade.

IWM's staff meanwhile, continue to scour Italian hillsides in search of new finds.

"They seek traditional wines, natural country styles and boutique wineries," says Peter Kwong, a top sommelier, adding that "boutique wineries might have been stars of their regions, but due to small production, would never have travelled".

Kwong had recently attended a luncheon with IWM's founder, Sergio Esposito, a high-spirited Italian/American and author of *Passion on the Vine*, a memoir.

With knowledge of the wines still limited, lunch and dinner functions open up education.

"You can't learn French or Cantonese in two weeks, and neither can you learn Italian wine quickly," says Esposito at a lunch, "but the journey is a great, great treasure hunt."

Italian wine is hard to categorise and difficult to navigate. But fans are entranced by their rustic nature. "We opened a '45 Barolo. It was older than I am, but my goodness, it was beautiful... 60 years old and still full of life. It's authentic and true and real," says IWM's Keung. ▲