

# MEININGER'S

WINE BUSINESS INTERNATIONAL



## THE COLLECTOR: DONALD HESS

*Swiss art collector Donald Hess has put together a premium portfolio of New World wineries, from Argentina to Australia. He discusses sustainability as a business proposition, the differences between Old and New World, and where he thinks the future of wine is heading. Page 32.*

## CHINA'S GRAPE EXPANSION

*International wine producers aren't the only ones hoping the Chinese take to wine in large numbers. Chinese producers themselves are planning, planting and wooing new consumers. Page 40.*

## DOWN UNDER LOOKS OUT

*Australia is a formidable player in the export markets, but at home the market is increasingly open to imported wines, thanks to its vibrant food and travel culture. Find out how this market works and what it's drinking. Page 64.*

## CAPTURING THE YOUTH VOTE

*The so-called Millennial generation are the hope of the wine industry's future, yet little is known about how to attract them to wine. This extensive report looks at the global picture and uncovers common themes. Page 26.*

## SPARKLING ITALY MAKES CHANGES

*The Italian sparkling wine industry is reaping big rewards, as sparkling wine sales soar internationally. In this special report, we look not only at what's being produced, but also how the production rules are changing. Page 52.*

# WHO'S WHO IN PORTUGAL

Portugal, although a very old wine-producing country, is still establishing its wine market, both domestically and internationally. Dr Luis Antunes asked key members of the Portuguese trade to identify who the major players are in this very interesting country.

The Portuguese wine sector is undergoing a major change. Perhaps it is suffering from growing pains, perhaps the damage is structural and points to a serious disease, or perhaps, as in many other sectors, some time has been wasted during the very necessary modernisation. But from the consumer's standpoint, the situation has never looked brighter. Portuguese wines are better than ever, with very good to great quality at every price level. The best wines can rival their foreign counterparts, which very seldom reach the domestic market in any case, and regularly appear in the specialised wine press around the world. Wines in the medium to lower range are also good, honest and fairly priced. Year after year, in both good and poor weather conditions, improvements in viticulture and winemaking keep the market supplied with ever-better wines from every one of Portugal's wine regions. However, dark clouds hang over the scene. Viticulturists who once sold their grapes are now making, bottling and selling their own brands of wine. This is creating an excess of brands in the market, preventing any one of them from achieving the reputation they need for their survival. Distributors have cash-flow problems, while restaurants are also losing income, not only because they have difficulty selling their most expensive wines, but also because they're having trouble with their average-priced wines. This low-cost attitude towards fine dining is growing, and wine sales reflect that. Fine wines don't move, anywhere. Although Portugal has been a major market for port, the crisis is affecting even that niche. Lighter, inexpensive wines such as rosés and some whites are gaining attention, but the cult reds are not moving any more.

Could these factors lead to a rationalisation of the market, the disappearance of some actors, and a renewal of interest wine by the Portuguese? Hopefully, a new, more attentive, consumer will emerge, who is prepared to pay the correct price for the excellent wines that Portugal releases these days. Or, the

international crisis, coupled with international consumers' desire for something new and authentic, will see exports increase, as Portugal is the ultimate ABC ('anything but Cabernet) wine country.

Whatever the outcome of the difficulties that the Portuguese wine market is in, the reality is that some of the winners of these 'Who's Who' categories currently have their survival hanging in the balance.

## *Best Importer*

As Portugal is a wine-producing country, wine imports play no significant role. Nevertheless, the category winner was UVA/Vinho e Coisas, based in Oporto. The UVA group is undergoing major challenges and risks closing down a significant part of their business. Despite all their problems, they have changed the Portuguese consumer's opinion about international wines and therefore deserve first place in this category.

## *Best Distributor*

This category was most disputed, with three major names emerging from the vote: Vinalda, Solbel, and Decante. Decante Vinhos are based in Lisbon and operate across the whole country, either directly or through partnerships. With their young and fresh attitude to the market, towards both retailers as well as the HoReCa sector, they're the best distributors of wines in Portugal today. They cherish their customers, provide prompt delivery and savvy counselling, and at the same time cultivate loyal and steady relationships with the producers they represent.

## *Best Supermarket*

This category was easily swept by the El Corte Inglés group, with its major shopping malls and smaller Supercor shops. Their huge range of brands which also include Spanish and other international wines - plus the quality of their communication and of their complementary range of products and quality and service, as well as the pairing

with some 'Club del Gourmet' shops, made the choice quite obvious. Apolónia, the family-run high-quality supermarket in Algarve, and the Auchan Group's Jumbo were runners-up.

## *Best Retailer/Wine Shop*

This was another highly disputed category, with several local retailers mentioned. The Lisbon-based wine shops had an edge over the rest of the country, and the traditional and recently enhanced Garrafeira Nacional took the prize. Garrafeira Nacional is 80 years old, has a very good collection of both old and new vintages, and prices them fairly, which explains the preference of the voters. Wine O'Clock, with several retail shops around the country, also put up a fight.

## *Best Mail Order Company*

Garrafeira Nacional also took this prize, because of their excellent site and communication policy. Good prices are always appreciated by the consumers, and free shipping to mainland Portugal for purchases over €50 made them the clear winners.

## *Best Restaurant Wine List*

Almost every voter gave a different name for their choice of best restaurant wine list. The very few that were mentioned more than once had the common trait of having a wine list supported by a nearby, co-owned retail shop, together with the policy of keeping prices close to those of the shop. This was the case of Restaurante Veneza in Algarve and Degusto/UVA/Vinho e Coisas in Oporto. Given the difficulties facing Degusto, the prize must go to Veneza. Two-starred Villa Joya (Galé, Algarve) also rated some mentions, but their prohibitive pricing policy damaged them.

## *Best Wine Bar*

For some strange reason, wine bars are neither abundant nor very successful in Portugal. Chafariz do Vinho, situated inside

an 18th century aqueduct front in Lisbon, is one of the oldest, most beautiful, and highly regarded for a tasting or a night cap. It won most votes, although Os Goliardos, also in Lisbon and quite close to Chafariz, received a fair number of votes.

### *Best Sommelier*

Here there was no discussion at all, with Manuel Moreira winning the overwhelming number of votes. This young but very experienced sommelier is highly regarded both by consumers and by his peers. Very skilled and hard-working, Moreira has won several sommelier contests in Portugal and has been runner up in international ones. He has worked in highly praised restaurants, always leaving his mark behind in the cellars, on the wine lists, and in the quality of the team he assembled. Nowadays he works as a consultant on several projects and co-owns and runs his own restaurant, G-Spot,



**João Paulo Martins has published an annual guide for 16 years in a row.**

**Most influential wine journalist**



**Manuel Moreira has had a major influence on every restaurant he has worked with.**

**Best sommelier**

in which very creative food is masterly paired with a selection of price-controlled wines from Portugal and abroad.

### *Best Wine Magazine/Publication*

Again, there was no discussion in this category. If I tried to exclude *Revista de Vinhos* (Portuguese for 'Wine Magazine') from the vote on the grounds that I write for them, that would leave the category empty of any contestants. *Revista de Vinhos* will be 20 years old by the end of 2009, and it is the undisputed leader of the market, both in sales and in influence. Highly regarded by everyone, it has recently seen competition increase with the appearance of other four or five magazines.

### *Most Influential Wine Journalist*

This is another category in which voting overwhelmingly favoured one name. João

Paulo Martins is the most influential wine journalist in Portugal. He has published an annual guide about Portuguese wines for 16 years in a row, has written for *Revista de Vinhos* for several years, and recently started a column in *Expresso*, Portugal's most influential newspaper. If someone's opinion about wine can reach a broad audience and influence the whole of the trade, that someone must be Martins.

### *Most Influential Person*

Several names were mentioned for this category, but in the end one person stood above all others. Dirk van der Niepoort was born to a family-owned Port house, which he now runs. A devoted and passionate wine lover, he changed the family business by acquiring 'quintas' in the Douro and started to produce dry wines - red, white and rosé - of the highest quality. At the same time he continues to produce great Port wines.

do), some people have taken the initiative and support each other in the difficult task of improving the visibility of Portuguese wines abroad. The 'Douro Boys' group includes Quinta do Crasto, Quinta do Vallado, Niepoort, Quinta do Vale D. Maria, and Quinta do Vale Meão, five top producers in the Douro region who focus mainly on dry wines, although some also historically produce Port. This association is now seven years old, and uses Dorli Muhr's Wine&Partners as their public relations agency. The Douro Boys have yielded immediate results in the international wine press, and have inspired imitation movements in other Portuguese regions.

### *Best Promotional Body*

A lot of names were mentioned for this category, including the Douro Boys themselves, and also Dirk Niepoort individually. Noticeably, those questioned answered with

travels the world to introduce and sell his wines, shows wines from some of his neighbours (and competitors), inspires and runs winemaking experiments in the Douro, helps to develop and educate a clique of wine appreciators, and shapes new trends for what Douro and Portuguese dry wines are today and will be in the future. He is one of the great ambassadors of Portuguese wine, one of the best-known wine people in Portugal, and definitely the most influential person when it comes to how wines are made and consumed. His business continues to grow, and his influence seems to be inescapable in Portuguese wine.

### *Best Producer Association*

In a country where everyone seems to be waiting for the public powers to take the initiative in promoting the wine business (something the government might as well

some criticisms of public groups. Several CVR (Comissões Vitivinícolas Regionais, the committees that control the DOC rules) were mentioned, and also some 'protest' and blank votes were cast. In the end, the most positive remarks were made about ViniPortugal, an inter-professional organisation that brings together trade, producers, cooperative wineries, distillers, farmers, demarcated regions and governmental institutes. Financed by the taxes collected by the government, ViniPortugal's aim is to promote Portuguese wine in both the domestic and international markets.

Honourable mentions must also go to Sao Paulo-based journalist Jorge Lucki, who also ranked highly in the Journalist category, and Marcio Pinto de Oliveira, a winner of multiple wine industry awards in his home state of Minas Gerais, and organiser of the annual VinhoFest event. ■