

Speech

SFST's speech at opening ceremony of Hong Kong International Wine and Spirits Fair 2011 (English only)

Thursday, November 3, 2011

Following is the speech by the Secretary for Financial Services and the Treasury, Professor K C Chan, at the opening ceremony of Hong Kong International Wine and Spirits Fair 2011 this morning (November 3):

Consul General (Ms Alessandra Schiavo), Ms Paola Guida (Italian Trade Commissioner), distinguished guests, ladies and gentlemen,

Good morning.

It is my great pleasure to join you this morning for the opening of the fourth Hong Kong International Wine and Spirits Fair.

When wine connoisseurs analyse wines, they often talk about the wine's "terroir". Terroir is a French word used to denote the special characteristics that bestow the wine with a unique taste according to its particular locality. Terroir embodies characteristic qualities such as the soil type, weather conditions, farming techniques and even the social history of a plot of land.

Let's look at Hong Kong's terroir.

First, our soil and geographic location. We are situated in the centre of Asia; we are a city in China but outside the Mainland.

China is the fastest growing wine consumption market in the world. Strong economic growth, increasing prosperity and an improving lifestyle have led to continuing increase in demand for wine in Mainland China. Given our strong business connections with the Mainland and experience in doing business there, Hong Kong is well placed to take advantage of this growth.

As for our weather, we are currently experiencing westerly winds - a wine-loving wind that is blowing in from traditional wine consumption markets such as Europe and the US.

Turning to our viniculture, we may not have actually put seeds in the ground but we have carefully cultivated our wine business. In 2008 we removed what the wine industry would have considered a weed in the business. We did this by reducing our wines tax from 40 per cent all the way to zero.

And finally, our farming techniques. Instead of using sprinkler systems and fertilisers, we support Hong Kong's wine industry with business infrastructure including a free port, a robust financial system, a level playing field for business, extensive brand marketing experience and world-class logistics.

Ladies and gentlemen, Hong Kong may not have the terroir to cultivate grand cru grapes but we certainly have the terroir to capture growing opportunities in this region and to develop further as a trading and distribution centre for wine.

Our total wine imports increased from US\$204 million in 2007 to US\$898 million in 2010. In the first nine months of 2011, the figure reached US\$940 million, representing an increase of 57 per cent over the same period last year.

Many companies have established or expanded their wine business here. New business models, such as winemaking, wine investment and wine bars are emerging.

Our wine auctions have also flourished. According to industry figures, Hong Kong firmly established itself as one of the top three wine auction centres in the world in 2010.

Growth in wine trading and distribution has also brought synergy for economic activities in related areas such as wine tourism, catering, trade exhibitions and wine education.

Italy, our partner country for this year's fair, produces some of my favourite wines. Italian wines never fail to surprise. The sheer number of grapes grown in such different geographical locations, from the Alpine slopes in the north to the sun-baked terraces in the south, makes Italian wines both highly diverse and intriguing. If there is one country that can produce a wine for every palate, it has to be Italy.

Ladies and gentlemen, we will continue to do all we can to ensure Hong Kong has the terroir to remain Asia's wine trading and distribution centre. I wish to congratulate our Trade Development Council for bringing so many industry professionals together at this Hong Kong International Wine and Spirits Fair.

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