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HD **China** bottle tech checks smash market in fake **wine**
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Counterfeiting **wine** is a big and lucrative **business** in **China**, with increasingly more sophisticated methods used to replicate famous brands.

China's CTV has reported that 50 per cent of **wine sold** in **China** could be fake but many in the industry believe the true figure for high-profile brands — such as Bordeaux's Chateau Latour and Chateau Laffite, as well as premium Australian names such as Penfolds Grange — is as much as 90 per cent.

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One source told WestBusiness that as he watched a shipment of **wine** being unloaded in **China** he was approached by someone who offered to double the consignment overnight — obviously with cleverly faked bottles.

The problem is that with so much money involved there are many who stand to lose **millions** and until recently they have managed to protect their **business** interests with heavy hands and deep pockets.

But things are starting to change. Speaking in Perth, the head of a major **Chinese** state-owned enterprise **group**, with extensive businesses in technology, industry, trading and investment, said **China**'s Government had already taken significant steps.

Danyang Zhu, chairwoman of the Guangdong Guangxin Information Industry Development Co, said the Government had established the **China** Food and Drug Administration, which aimed to fix safety issues surrounding food products in **China**.

"And for **wine**, the Guangdong Provincial **Wine** Testing Centre has been established to determine the authenticity of the wines that can ultimately lead to counterfeiters being prosecuted," she said.

Ms Zhu's **group** and WA-based Linkar **Group** have joined the fight against counterfeit wines in **China** with the launch of a **wine** app and tracing technology, with the first shipment of wines using the new technology set to leave Perth next month.

A container of McHenry Hohnen **wine** worth more than \$100,000 will be shipped to **China** with the bottles incorporating new labelling that allows the tracing system to be activated and the wines tracked.

"As a small premium producer, it is vital that wines **sold** into the **China** market are protected from being copied, which destroys the integrity of our crafted product," Murray McHenry said.

"By having a tracking system on each carton and bottle we will be able to ensure our premium wines are what the consumer is purchasing.

"Australia is the second-biggest exporter to **China**, and growing."

The tracing system is a collection of search engines that allow consumers, retailers, wholesalers, distributors and suppliers to access a range of data related to their wines.

A special label with coding is applied to each bottle, which can be scanned with a smartphone using an app. Consumers can also read a description of the **wine**, its background and reviews.

According to Linkar operating director Max Ma, most **Chinese** consumers did not know what to look for on the labels.

“Bottles use the original label, artwork and trademarked name, but the name and logo are altered slightly to look like the original, and it’s different enough not to be a counterfeit and yet, still fool consumers,” he said. “The inability to read French or English makes it even more difficult for some unsuspecting buyers.

“Another method is for counterfeiters to **buy** empty **wine** bottles and simply refill them with cheap **wine**. Or they use a syringe to remove some or all of the **wine** from a bottle and refill it with cheap **wine**.

“Today, high-end restaurants, hotels, collectors and auction houses regularly smash empty bottles after consuming them to avoid their re-entry into the marketplace.”

Mr Ma believes the **Chinese** Government will eventually demand that all food, **wine** included, be required to adopt a system to guarantee its authenticity.

Wine Australia general manager of regulatory advice Steve Guy said it was essential any **wine company** thinking of selling into **China** protected its intellectual property by registering their trademark in **China** before they started to distribute.

For Australia, the stakes are high. The exorbitant price of Bordeaux wines and the recent bad vintage from 2013 is providing Australian **wine** producers with an opportunity to capture a greater share of the market.

In terms of imports, Australia remains second behind France but it is achieving the highest average value among the top-10 importing countries.

China remains the biggest destination for Australia’s premium wines above \$7.50 a litre.

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