appellation designations such as *Sauternes* or *Quarts de Chaume* serve to strengthen the wines’ monopoly power? For the innovative instructor, chapters 2 through 5 offer a multitude of fun and interesting examples of the use of these concepts applied to wines, be they *moelleux* or “*sec*.”

Conversely, the later chapters, 6 through 9, have much to offer for the professionally trained economist who wishes to learn more about the aspects of wine that serve to make it a unique and interesting topic for economic study. Why is wine more than simply a difficult-to-assess, almost transcendent experiential good? In what precise sense might wine embody the ethereal concept of a cultural good, which transmits cultural value to both the individual consumer and society? To give but one example, does the notion of *terroir*, or sense of place in general, have the potential to endow a wine with cultural content, undervalued by individuals and deserving of social protection? In drawing in part on his own research, this is the class of difficult questions on which Marks embarks in his later chapters, and which in part help to frame wine and economics as a discipline distinct from other areas of economic study.

An idealist may wish that more of the analytical formalization developed in the earlier chapters could have been used to better envelop the more enigmatic discussions of the later chapters—something that might also have served to better unify the presentation styles between the chapters. However, this is a bold frontier on which the book embarks, and Marks helps us to see some of the key challenges. The book is written in a thoughtful and philosophical style, while offering bountiful morsels of interesting practical information about the elixir of life. It is sure to entice professionals as well as enthusiasts and represents an important synoptic and insightful text for the discipline.

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Here is what is so enticing about wine economics. I am sitting in Starbucks reading through my newspaper. A small article catches my eye, one that I would usually just skip over and keep turning the pages. However, I had just read *Thirsty Dragon: China’s Lust for Bordeaux and the Threat to the World’s Best Wines*, by Suzanne Mustacich, and the newspaper article reported that yet several more high-level Chinese officials were being investigated for “serious breaches of discipline” (Hernández, 2015). If my interest in China’s President Xi Jinping’s anticorruption
measures—the enforcement of which is implicated as one of the reasons for the recent fall in fine wine prices—had not been piqued by Thirsty Dragon, I would not have bothered learning the details of this latest government maneuver.

China’s current antigraft campaign takes us full circle in Thirsty Dragon’s story of China’s emergence as a wine-consuming and wine-producing nation. As promised in the book’s subtitle, Thirsty Dragon shows how China’s particular infatuation with Bordeaux wines has been an agent for change in aspects of Bordeaux’s en primeur pricing and marketing system, while speculating on whether these changes will further erode Bordeaux’s traditional way of doing business. This tale of wine in China provides insights into Chinese and French culture, society, and ways of doing business, along with a detailed peek at many of the intricacies of the Place de Bordeaux.

The start of wine’s role as a tool in China’s economic strategy occurred in 1996, when Premier Li Peng “extolled the benefits of red wine” (Mustacich, p. 14) as both an alternative to hard liquor and spirits—echoing Thomas Jefferson and others—and as a means for economic growth. The sense that Li gave the assembled National People’s Congress, according to Thirsty Dragon, was that “Grape vines were marvelous plants. They grew on hillsides and in poor soil, in places where very little else could thrive” (p. 14). To emphasize his point, Li toasted the Congress with a glass of red wine, which was, Mustacich notes, “an unmistakable signal to every official, state employee, and entrepreneur that red wine was approved by the Communist leadership … Li had opened China to wine” (p. 14).

From this beginning, Thirsty Dragon documents the fascinating interplay among key players that resulted from this “signal.” The Bordelais, of course, noticed and wanted to sell more wine in China, knowing that the Chinese saw Bordeaux wines, especially the first growths, as world standards for quality and prestige. Chinese businessmen noticed, with Bordeaux’s classified growths sought after for guanxi—the cultivation of personal connections and exchange of favors, where gifts of fine Bordeaux wines (the more expensive the better) eased the art of the deal. Celebrants noticed, offering capacious quantities of grand cru wines at elaborate banquets in a show of gei mianzi (respect). Importers and distributors noticed, negotiating exclusivity deals with Bordeaux vineyards. Investors noticed, establishing wine businesses, wineries, and vineyards in China, often as joint ventures with French or other collaborators, and purchasing chateaux in Bordeaux. Speculators noticed too, with record prices for Bordeaux wines at auction.

With two groups as culturally and traditionally diverse as the Bordelais and the Chinese, conflicts naturally arose. Thirsty Dragon details these tensions, not only between the Chinese and French stakeholders, but also among and between parties within China and within the Place de Bordeaux. The book’s style provides a series of short, insightful, and interesting cases in time and place as these interactions progress. This approach adds a sense of mystery, leading the reader to anticipate what will happen the next time we meet the players involved. The numerous
and rotating cast of individuals, businesses, government officials, collaborators, wineries, and so on, however, does make *Thirsty Dragon* seem disjointed at first, but as one progresses through the book, the bigger picture does emerge.

The historical Place de Bordeaux business model had been changing prior to the explosion of Chinese interest in the region, as evidenced by growth in direct sales to customers by chateaux, wine being produced by négociants supplementing their role as middlemen, and smaller and increasing numbers of tranches released by chateaux to test the market. However, the emergence of the Chinese wine market exacerbated this process. Chinese merchants who saw no reason at all not to deal directly with chateaux owners did so—effectively bypassing the Place de Bordeaux’s close-knit courtier and négociant community on a larger scale. Rather than deal with the system, increasing numbers of Chinese investors bought an entire chateaux’s wine production—or the vineyard itself—and exported all of it directly to China. Chinese corporate wine merchants, who were often government employees under pressure to increase profits, backed out of agreements when convenient, especially in an already declining market, often leaving the Bordelais with vast quantities of unsold wine. Additional stress on Bordeaux came from frequently changing rules and laws in China, which made business dealings there a sometimes moving target. Trademark or brand “squatters” registered hundreds of wine names in Chinese characters under China’s first-to-file law (Mustacich, p. 141), putting owners of Bordeaux wines at a disadvantage with most customers in China who could not read the labels in French, hindering sales and profits. These practices and more deviate from the customs, traditions, and standards of Bordeaux (and several appear, at least in the eyes of some, as less than ethical), further straining the Place de Bordeaux. All of this is presented by Mustacich in rich detail with an academic’s eye, providing myriad footnotes and references—none of which distract from the book’s flow.

One might come away from *Thirsty Dragon* thinking that the rise in the Chinese and Asian markets is the sole cause of the upheaval in Bordeaux wine prices and in the *en primeur* system. Although the rapid growth in China’s demand for Bordeaux wines has made China arguably Bordeaux’s most important customer—a recent report noted that China was Bordeaux’s biggest importer in volume and second in value even after the recent sales slowdown (Anson, 2014)—there are other factors in this upheaval, as shown in much wine economics research. For example, there is a solid body of wine economic literature that correlates critics’ grades, including those of Robert Parker, the *Wine Spectator* magazine, and others, to the price of fine wines (see Masset, Weisskopf, and Cossutta [2015] for a recent review of this literature).\(^1\) High ratings by Parker and other critics for the 2005 vintage (a “vintage of the century”) and again in 2009, along with a continuous string of very good to excellent years, played a role as well.

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\(^1\) The author of *Thirsty Dragon* is an editor of *Wine Spectator* magazine.
In addition, the more recent decline in Bordeaux and other fine wine prices is similarly not solely the result of China’s influence and its anti-ostentatious campaign. The extraordinary price run-up from the series of outstanding vintages from 2005 through 2010, as well as China’s surging demand, discouraged the level of buying in much of the rest of the world. The recent financial crisis and economic downturn too, as duly noted in *Thirsty Dragon*, contributed to the slowdown in futures prices. More recently, Parker’s decision to stop reviewing Bordeaux wines has also been suggested as a contributing factor in lower prices (McCoy, 2015), but this is an area for future wine economics research. All of this, however, is not to say that, even with the deflated bubble for expensive wines, the events of this millennium have not had a profound and lasting effect on wine in China and, in turn, on the economics of wine in worldwide. The popularizing of wine as both a tool for economic development and as a healthier alternative to drinking baijiu and other distilled spirits continues. Wines in the $30 to $50 range, according to the chairman of a large Chinese wine merchant and importer, still sold well after the collapse in classified wine prices (Mustacich, p. 262).

Apart from the interactions between China and Bordeaux, *Thirsty Dragon* also describes the growth of the wine industry within China. Although the production of fine wine in China is still in its infancy, several quality-focused producers are profiled in the book, including Emma Gao of Silver Heights, Zhang Jing of Helan Qingxue, and Judy Chan of Grace Vineyards. Prominent to this story are the growth of Ningxia as a premier wine grape-growing region in China and the continued search for terroirs that might support fine-wine making in China, complementing the nearly 2 million acres of vineyards producing inexpensive mass-market wines (TDA, 2015). Enhancing the push to solidify its reputation and demonstrate that quality wines can be produced in China is the establishment of new vineyards by renowned French producers, including Laffite Rothschild and Moet Hennessy.

After reading this book, one might wonder about the quality of this new breed of fine wines produced in China (which remain unavailable in the United States). Coincidentally, as *Thirsty Dragon* was published, an article in the *New York Times* profiled the growth in quality wines and wine-producing regions in China (Sasseeen, 2015), and the *New York Times*’ wine critic, Eric Asimov, reviewed five of them, including two from the aforementioned Silver Heights. All were mostly Cabernet Sauvignon, and all but one included Merlot and/or Carmenère (called Cabernet Gernischt in China) and ranged in price from $17 to $100 per bottle. Asimov found the entry-level wines “soft, simple and easygoing,” with the top-level wines showing “a bit of complexity” and “deep, plush flavors and lots of oak.” However, he noted they all lacked a “sense of distinctiveness, or … terroir” (Asimov, 2015). As for the future, Asimov acknowledges that China has the resources to make acceptable commercial wines, wondering if it will also produce

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2 The last per bottle price was for half of a magnum costing $201.
sought-after distinctive wines. With this question, the next phase of the *Thirsty Dragon* story begins.

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**References**


This hardcover book printed on durable alkaline paper is part of an American Chemical Society (ACS) Symposium Series. The purpose of books in this series is to publish rapidly in book form the results of original research findings as well as timely reviews presented in the symposia. This book is based on an ACS symposium, “Flavor Chemistry of Alcoholic Beverages,” held in Boston, Massachusetts, in August 2010. General topics covered include those such as flavor and flavor precursors in wine grapes and their conversion in wine, as well as the aging process during