



Workers fix labels to bottles of Kweichow Moutai, a famous Chinese liquor, at the company's production line. The company will visit Cape Town for a major brand promotion event. PHOTO BY YANG JUN / CHINA DAILY

Moutai liquor eyes overseas expansion

Cultural ambassador and State reception must-have begins Belt and Road promotion tour in South Africa

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China's liquor giant Moutai will visit Cape Town, South Africa, on Friday, as the first stop on a global brand promotional tour to explore overseas markets in regions involved in the Belt and Road Initiative.

The company beat the United Kingdom's Diageo to be the world's top distiller in April, with a market value of 494.9 billion yuan (\$74.3 billion). That figure grew to 800 billion yuan in late October.

Cape Town, as the port city near the Cape of Good Hope, is considered an important hub from which to grasp global market share from non-Chinese groups, the company said.

"South Africa, as one of the BRICS countries, has established long-term cooperation with China," Moutai said. "In addition, it has a long history of liquor, suggesting great potential for further development."

The company will visit several Cape Town wineries to channel resources for developing various alcoholic beverages such as wine, blueberry wine, tonic liquor and the well-known Moutai white liquor.

The company said it will boost bilateral imports and exports, instead of merely exporting as it had in the past, to maintain sustainable cooperation development.

Moutai reported overseas revenue of 1.87 billion yuan from January to October. Sales in countries taking part in the Belt and Road Initiative contributed about 27 percent to the company's global sales.



Yuan Renguo, Kweichow Moutai Group chairman

The foreign market not only brings cross-border sales, but also more opportunities in advanced manufacturing, big data, trading networks and e-commerce in a global context, the company said.

Since 2012, Moutai has held similar promotional events in the UK, Hong Kong, Moscow, Los Angeles and Hamburg in Germany.

It forecasts its foreign income will comprise 10 percent of its total income by 2020, as it establishes itself as a world-class liquor maker.

To realize that goal, the company plans to introduce new marketing methods, including constructing a more flexible logistics system and a liquor plant with annual production capacity of up to 6,600 metric tons.

"We expect to become a mid to high-end brand on the global value chain by improving supply



Li Baofang, Kweichow Moutai Group general manager

side quality and supporting the construction of the modern real economy," the company said.

Moutai added it will undergo an overall transformation, including integrating online and offline resources, reforming its management model, improving its technical strength and applying big data.

According to the company's financial report, its revenue reached 42 billion yuan from January to September, up 59.4 percent year-on-year. Its net profit reached 20 billion yuan, of which net profit in the third quarter contributed 8.7 billion yuan.

Yuan Renguo, chairman of Kweichow Moutai Group, said at the G20 meeting in July that the company is quickening its pace in going global, not only to progress but also to bring traditional Chinese culture to the world.

Chinese people regard liquor as part of their

culture, helping people to build relationships, exchange ideas and share their perspectives.

Moutai appears at almost every State-level hospitality event to honor important guests, such as late South African president Nelson Mandela.

Li Baofang, Party chief and general manager of Moutai, said admiration of nature is a key part of South African culture, which conforms to the company's principle of brewing liquor from natural resources.

The journey to South Africa helps to promote economic and cultural exchanges between the two countries, and shows China's prowess in liquor making, Li said.

"We will invest more and purchase more materials globally, bringing tech, job opportunities and tax income to local markets, as part of efforts to help boost South Africa's development," Li added.

Located in Maotai town in Southwest China's Guizhou province, Moutai's more than 100 wineries produce liquor by using 30 processes and 165 steps, each bottle taking five years to produce.

The town, near the Chishui River, has a warm winter and hot summer, little rainfall and wind, and high humidity. These characteristics are essential to distilling the classic Moutai white liquor. The region's microflora, formed over more than 1,000 years, adds the characteristic aroma to the product.

The company places strong emphasis on non-profit and charity events. During the South African trip, the company will build a primary school in Maputo in Mozambique. Moutai has held training classes, established a large-scale cultural museum and a higher educational institute.