



The Wild Side of Furniture Design

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A NEW COMPUTATION COMPANY DOW JONES

Chinese Fund Sours on Euro Zone

BELJING—The head of China's giant sovereign-wealth fund sees mounting risks of a breakup of the euro

By Lingling Wei, Andrew Browne and Almar Latour

zone, and says the fund has scaled back its holdings of stocks and bonds across the continent.

The comments by Lou Ji-

wei, chairman of China Investment Corp., are among the most bearish pronouncements yet on Europe by a senior Chinese official. They reflect growing dismay in Beijing at how European leaders are handling the escalating crisis in China's largest export market, and anxiety over the potential for global contagion.

"There is a risk that the euro zone may fall apart and

that risk is rising," Mr. Lou said in an interview—his first with a Western media organization in five years.

Also Thursday, the People's Bank of China made a surprise move to cut the benchmark interest rate for savers and borrowers by a quarter of a point, and to reform its creaking approach to setting interest rates, another signal of the depth of concern among leaders about the un-

folding European crisis and its impact on China's economy.

The cut, which takes the one-year lending rate to 6.31%, is the first since December 2008, and aims to reduce the cost of borrowing across the economy, pushing investment and growth higher. Markets around the world cheered the move.

Meanwhile, the pullback by CIC, whose moves are

widely watched by market participants, could further damp investors' interest in holding European securities, analysts say, potentially contributing to even higher funding costs for the debt-laden countries.

With about \$410 billion in assets under management, CIC is the fifth-largest sovereign fund in the world. It was founded by the Chinese government in 2007 to seek bet-

ter returns for China's currency reserves, which were typically parked in low-yielding securities such as U.S. Treasuries. Chinese leaders have singled out better man-

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EU Leaders Are Pressed For Answers

German Chancellor Angela Merkel and British Prime Minister David Cameron held a joint news conference in Berlin Thursday, where Mr. Cameron called on the euro zone to take "urgent action" to stabilize its debt crisis. Ms. Merkel countered that it will take several years for Europe's currency union to complete the necessary repairs. Their talks came amid growing pressure on euro-zone leaders to support Spanish banks. Decisions are unlikely to come before a key report on the capital needs of Spanish banks expected next week.

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Bernanke Notes Risks; Signals Open to Action

WASHINGTON—Federal Reserve Chairman Ben Bernanke cited significant risks to the U.S. economic recovery but stopped short of signaling Fed action to combat them, during testimony on Capitol Hill on Thursday.

By Jon Hilsenrath, Kristina Peterson and Corey Boles

When asked whether the Fed is planning to take more measures to boost growth, Mr. Bernanke said he and his colleagues "are still working" on that question ahead of their June 19-20 policy meeting. The main question they need to answer, he said, is

whether the economy will be strong enough to make material progress on bringing down unemployment.

The Fed has several different options for action if it decides to move, he told Congress's Joint Economic Committee. "At this point I really can't say anything is off the table," he said.

The risks to the recovery include the financial turmoil in Europe and uncertain U.S. fiscal policy, Mr. Bernanke said, leaving the Fed "prepared to take action" to protect the U.S. economy and financial system if stresses escalate.

In all, Mr. Bernanke's comments were more restrained

than those offered this week by some other Fed officials, including remarks Wednesday evening by Fed Vice Chairwoman Janet Yellen, who laid out detailed arguments for why the Fed might take new actions to bolster the economy.

She said risks to the economic outlook may require the Fed to take additional steps to "insure against adverse shocks."

Other Fed officials also have spoken openly about the possibility of taking further action in the wake of a stream

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Samsung Remaps Overall Structure

The man who led Samsung Electronics Co. to the top of the TV and cellphone industries, Choi Gee-sung, stepped down as chief executive officer and will be succeeded by Kwon Oh-hyun, the head of the company's component businesses.

The new CEO's power, however, is being diminished as Samsung tries to create more separation between its consumer and component units.

Samsung is dealing with a conflict in business structure: Customers of its chips and other component businesses are its competitors in TVs, phones and other finished products.

Samsung's ability to balance its competing interests came under scrutiny last year when Apple Inc., the largest buyer of Samsung's chips and displays, sued it for allegedly copying the designs of the iPhone and iPad.

Apple's latest legal action came earlier this week: The California-based company filed a lawsuit in the U.S. requesting a sales ban on Samsung's latest smartphone, the Galaxy S III.

Apple and Samsung have been entangled in about 30 patent-litigation suits in 10 different countries so far.

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FOOD & WINE

Dumplings and Nostalgia in Auntie's Parlor

[Food]

BY BRUCE PALLING



For the past few months, there has been a curious development next to One Hyde Park, reputed to be the most expensive accommodation in London, if not the planet.

Two rows of potted plants on the pavement lead up to an entrance to what seems to be a house from another era—cabinets of bric-a-brac, fading portraits of family members, bicycles stacked in the corridor and skates hanging from the ceiling. Rather than being the last redoubt of someone refusing to sell to avaricious developers, this is the site of the most successful new Russian restaurant in Europe—Mari Vanna (www.marivanna.co.uk).

Until now, Russian restaurants outside the homeland have rested on the holy trinity of vodka, caviar and blini—in that order. What has happened at Mari Vanna is a nostalgic re-creation of a culture that vanished with the October Revolution of 1917. The first Mari Vanna opened in St. Petersburg nearly a decade ago, followed by branches in Moscow and New York. "Mari Vanna" is a mythical favorite aunt who lived in St. Petersburg and welcomed family and

friends to eat her cooking in the intimacy of her own home. Going by the results in London, she had a very large extended family, as it is packed from the early hours of the evening every night.

The décor inside the restaurant is more of the same: Tiffany-style lampshades, an assortment of chandeliers, jars of pickles and preserves, and tables covered in linen, with a jumble of furniture to add to the homeliness.

The menu offers traditional fare, with the two classic Russian salads, Vinagret and Olivier, more comfort food than haute cuisine. The herring salad I ate was layered beetroot, salted herring and potatoes with lashings of mayonnaise. Portions were generous and, at between £9 and £25 for main courses, could even be considered cheap, given the location. The pickles and rye breads were robust and diverting but the borscht soup was unmemorable.

The main courses included a passable beef stroganoff with a mouthwatering side order of buckwheat and wild mushrooms that permeated the entire dish. Most of the other main courses, such as roasted sea bass, rack of lamb, rib-eye steak and half-chicken baked with herbs, could have been on any hotel menu. There were several dumpling dishes to choose from, as well as leafier salads, as a gesture to weight-watching clientele.

But it seems almost irrelevant

to dissect the dishes, as the reason for Mari Vanna's success has little to do with the food and more with the addictive atmosphere.

London restaurant critics have been unanimous in praising the place for offering an experience that cannot be replicated anywhere else in the capital.

But what do Russian food critics make of Mari Vanna?

Ivan Panfilov, the restaurant critic of the London-based *New Style* magazine, believes Mari Vanna is successful because it is more than a restaurant. "Until now, Russian restaurants in London completely ignored the décor of their places and basically just offered caviar and pancakes," he says. "But going to Mari Vanna is like being a participant in a historic event, which is always fun."

There have been several successful Russian-owned restaurants opened in London in the past few years, including Goodman's steak restaurants, and last year, Novikov, another Russian-owned venture opened—a large modern restaurant serving contemporary Italian cuisine in one half and Asian in the other. However, Mari Vanna is the first successful launch of a Russian restaurant predominantly owned by Russians.

The next new opening in London is rumored to be a branch of Café Pushkin—reminiscent of a library, and arguably Mari Vanna's most successful rival in Moscow.



Mari Vanna interior.

Lisa Linder

The Fine-Wine World Continues to Look East

[Wine]

BY WILL LYONS



It was in June 2000 when Greg De'Eb, a diplomat at the South African High Commission in Hong Kong, attended a conference organized by the territory's trade-development council asking whether the region could become the wine-trading center of Asia. It provided, he says, the genesis of an idea. If this small city-state was serious about attracting some of the greatest names from Bordeaux and Burgundy, then the collectors who bought these wines were going to need somewhere to store them.

With cellar space at a premium on the island, Mr. De'Eb, together with U.S. businessman Jim Thompson, decided to provide it. Their search took them to Deep Water Bay Drive, an unassuming road that snakes off the main thoroughfare that carries busy commuter traffic down toward the south of the island.

It is here, 18 meters below ground, in a former British army munitions bunker, that much of Hong Kong's fine wine is stored. "We have between one billion and two billion [Hong Kong] dollars worth of wine stored here," equating to €100 million-€200 million, Mr. De'Eb explains over a coffee in the club house at Crown Wine Cellars. "Which works out at around one million bottles, or 200,000 cases."

Twelve years on from that conference and not only has Hong

Kong become the fine-wine trading hub of Asia but it is now the largest auction market for fine wine in the world. Following a move by the Hong Kong administration in February 2008 to remove a 40% import duty on fine wine, auction houses including Sotheby's, Christie's, Bonhams and Acker Merrall & Condit now sell more wine in Hong Kong than in London and New York put together.

To underline this geographical shift from the mercantile trading routes of Western Europe and the North Atlantic, Vinexpo Asia-Pacific has just held its busiest trade show in Hong Kong to date. Last week, more than 15,000 wine professionals from 28 countries con-

The fine-wine hub of Asia, Hong Kong is now the largest auction market for fine wine in the world.

verged on the enclave to talk wine and the business of selling it.

"I would say between 74% and 78% of what we have stored with us is from Bordeaux," says Mr. De'Eb. "This is followed by wines from Australia, Napa and, increasingly, Burgundy. In Hong Kong at the moment Burgundy is hot."

But when Mr. De'Eb talks about Burgundy or Bordeaux, he is referring to the greatest wines from those regions, such as Château Lafite Rothschild in Bordeaux or Domaine de la Romanée-Conti and Domaine Georges Roumier in Burgundy. When I visited a wine merchant in the Cen-

tral district of Hong Kong, the shelves were filled with names one would more often encounter in a fine-wine auction catalog.

And it is this top-down approach that differentiates the Asian market from Europe. In Europe, we are introduced to wine from a young age; we grow up drinking either the most local or the cheapest. It is only after our interest is piqued that we graduate to the more prestigious estates; eventually we may enjoy a sip of a first growth. But what happens when your first introduction to wine is Château Latour, from a particularly fine vintage such as 1982?

"Many of my clients have been collecting wine for more than 40 years," says Mr. De'Eb. "They have palates as developed as any Frenchman I know." But, he adds, these collectors have been joined by people who want to invest in wine and a small crowd who are relatively new to wine but are beginning to appreciate the older vintages.

There is also the prospect of buyers in Asia expanding beyond the traditional markets of Australia, Bordeaux, Burgundy and New Zealand to source their wine.

"Napa is waiting to happen" says Mr. De'Eb. "But I wouldn't be surprised if German Riesling became of interest. As the market is introduced to unfamiliar grape varieties from unfamiliar wine-producing countries, the reaction is always 'This is incredible, what is it?' But it will not only be German Riesling, it will be other floral wines from the region, such as Gewürztraminer, that will gain in popularity too."

Drinking Now



Lime Leaf Verdejo 2011, Bodegas Real Compania, Spain
Alcohol: 13%
Price: £7 or €8

This really is an outstanding summer tippie. The nose is replete with vibrant lemon and lime notes, and it has a racing zing that immediately perks up the palate. Made by Javier Murúa, whose grandfather founded the Rioja estate Bodegas Muriel, this is one of those exciting finds that make Spain such a standout wine-producing country. Serve it as an aperitif or with any sort of fish-based dish.



Rubicon Meerlust 2007, Stellenbosch, South Africa
Alcohol: 14.1%
Price: £25 or €31

For a few years I have been immensely impressed with the quality of the Bordeaux blends being produced in South Africa. Meerlust Rubicon is one of the best. The 2007 is a blend of Cabernet Sauvignon, Merlot and Cabernet Franc that has a classic cedar spiciness on the nose. This benefits from several hours' decanting before its brooding character expresses itself fully in the glass.



Château Cantermerle 2001, Haut-Médoc, Bordeaux
Alcohol: 12.5%
Price: £32 or €40

Château Cantermerle has earned a reputation for producing sensibly priced, good-quality claret at a level above cru bourgeois. They are always worth seeking out. The estate can trace its winemaking lineage back to the 14th century, but today it is under the guidance of Philippe Dambrine. 2001 has always found itself in the shadow of the great millennium vintage, but it shouldn't be overlooked. This is a superb wine, with fruit, grace and character.