

DUST FLIES, AS THE GAME OF POLO MAKES A LONG-AWAITED RETURN TO MONGOLIA



# LUXE ON THE FINAL FRONTIER

*RON GLUCKMAN travels to Mongolia, where instead of yurts and yaks, he discovers a well-developed yearning for the good life*

RIGHT: HUMMING NIGHTLIFE IN MONGOLIA'S CAPITAL, ULAANBAATAR. BOTTOM: LUXURY-BRAND AWARENESS IS ON THE RISE

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ITH A SMATTERING of gel in his hair, Batkhoo is tall and ruggedly handsome. His clothes are stylish, expensive. Aside from his youth – he’s just 29 years old – he could be the manager of an Emporio Armani store anywhere on the planet. But he gets upset when he sees those irritating postings on Facebook.

“People write things like: ‘How can there be an Armani in Mongolia? What do they do there, pay in sheep?’”

Batkhoo accepts that such stereotypes are commonplace among outsiders viewing a largely agrarian country that ranks among the world’s poorest. Despite a size equal to Western Europe, the population numbers about 2.7 million people, but far more horses. And millions more sheep than shoppers.

Yet, swarms of spanking new Land Rovers and German cars on the clogged roads of the capital, Ulaanbaatar, attest to surging local wealth. Skyscrapers have sprouted over vast Sukhbaatar Square, almost as big as Berlin’s Alexanderplatz, and a stark, Stalinist reminder of the seven decades of Soviet patronage. Since tossing off the yoke of communism nearly two decades ago, Mongolia has finally buried bitter memories of shortages of everything from petrol to bread and matches. Now a Hummer Club caters to numerous local fans of this supersized – and extravagantly priced – road monster, and an Ulaanbaatar BMW showroom is about to open. Clubs around UB (as the capital is called) are packed nightly with smartly dressed party crowds. Both Hilton and Shangri-La are building five-star properties in a land long lacking a single international hotel.

The appeal was easy to understand on a recent visit, when every hotel in the capital was filled to capacity. Investment conferences and mining forums crowd the calendar. Tourism was up 50 percent in the first six months, compared with 2009, and suddenly, it seems, everyone is going to Mongolia. This includes investors, travel writers and, especially, mining companies.

Mongolia is in the midst of an economic boom that’s bling at its most basic: stemming from skyrocketing global prices for minerals, which – despite the backward notions expressed on Facebook, and a solid top-of-

line cashmere industry – are the major exports of this landlocked nation squashed between superpowers Russia and China. Experts predict that Mongolia will register some of the world’s fastest growing rates of wealth per capita over the next five years. Incomes are expected to quadruple within eight years, according to a recent report from the International Monetary Fund. Naturally, this marks Mongolia on the corporate GPS (global profit scanning).

Hence, Batkhoo has plenty of company on the main floor of Central Tower, a shimmering new glass-wrapped tower overlooking Sukhbaatar Square. Louis Vuitton opened a two-floor luxury showroom in the same building last year, and has since been joined not only by Emporio Armani, but also Ermenegildo Zegna, Hugo Boss and Burberry. Upstairs in the swank, 17-storey tower that claims some of the top clubs and restaurants in the capital, are Montblanc, Swarovski and L’Occitane. Cartier has also been scouting Ulaanbaatar, and Benetton has announced plans for its own showroom on the steppes.

Shanghai Tang recently sponsored a high-end polo week in a remote part of Mongolia (see sidebar) that brought jet-setters from around the globe – practically all making their first visit. Enthusiasm for this “last great place,” as Mongolia is often described, was infectious. Raphael le Masne de Chermont, executive chairman of the Hong Kong-based lifestyle company, confided that Shanghai Tang planned to open a shop there. “It’s not just about the money,”





## POLO RETURNS TO ANCIENT HOMELAND

"Everyone has a dream," notes Raphael le Masne de Chermont, executive chairman of Shanghai Tang. "But few realise that dream."

His comments come seven bumpy hours by dirt road from Mongolia's capital of Ulaanbaatar, where he leads a group of jet-setters to the Genghis Khan Polo Club. This illustrious title was tagged onto a couple of dozen gers (felt-covered Mongolian huts) perched over a spectacular bend in Orkhon River, in Orkhon Valley National Park. Despite the awesome location, and the crates of caviar, cognac and Royal Salute scotch whisky consumed, it's still a rustic event.

"Glam-camping," is how

one in attendance describes it.

Still, the first Shanghai Tang Polo Cup represents a significant benchmark. "We're helping to bring polo back to its birthplace," le Masne de Chermont says. Much of the credit, like the Club and dream, belongs to Christopher Giercke.

A German filmmaker who came to Mongolia in the early 1990s, he married

a Mongolian woman and now produces fine cashmere for the fashion industry in the exquisite Orkhon Valley. Every year, he creates what has to be called nomadic luxury in the gers, and hosts "The Game of Kings."

Genghis Khan is credited with spreading the game across the globe in the 13th century. Now, Giercke is bringing it back. "Polo is a lifestyle," he says.



CLOCKWISE FROM LEFT: RON GLUCKMAN; THOMAS L. KELLY; RON GLUCKMAN



ERMENEGILDO ZEGNA AND EMPORIO ARMANI OUTLETS IN ULAANBAATAR

he says with passion, "but also being a part of this special place."

Why is so much attention being paid to this emerging but still tiny market? The numbers, at present, may not suggest a market like Shanghai in the making, but many are banking on a future financed by vast mining wealth. Mongolia has just started developing coal and copper fields estimated to be the world's largest. These are all in the south Gobi Desert, close to China, the world's largest market for each. China has an insatiable appetite for copper used in batteries for a new generation of electric cars and motorcycles, as well as vital power transmission lines linking its booming cities. The

world's biggest consumer of coal also needs new supplies to stoke the fires of the world's great industrial complex.

But does this necessarily translate to a spending spree on glad bags and fine rags? Batkhoo confides that business hasn't exactly been breaking records. "For us, it's OK, and growing. But for Armani, it's probably considered slow, but they realise that this is a developing market."

Most of Mongolia's luxury brands are being touted by local firms in partnership with franchise holders in Hong Kong that also operate showrooms for the same luxe product lines in China. Hence, they have experience with building a brand. And the

potential is clearly there.

"Before Louis Vuitton came into the market, they did a study based on credit-card charges. That showed that, per capita, Mongolians charged the most luxury goods overseas on their cards of any people," says a local consultant, who wanted to remain anonymous because of the sensitivity of the data.

"Mongolia is about to boom. Of that, there's no longer any doubt," boasts John Finnegan, chief executive officer of Golomt Bank, among Mongolia's largest financial institutions. Attending a dinner at Monet, Mongolia's top French restaurant, while locals partied at nearby Sky Lounge with dazzling aerial views over the Square and the rest of the city, he added: "Part of the attraction is to be here and be a part of this. It's one of the most exciting places in the world."

Of course, this is a boom with distinctive Mongolian characteristics, befitting a proud people who once ruled an empire that ranged from Korea to Europe - the largest the world has ever seen. That empire was carved out by cavalry - Genghis Khan's fearsome hordes. More than seven centuries later, horses remain a central part of Mongolian life. Fermented mare's milk is the national brew, horse racing is a national obsession and the horse is on the state seal.

Hence, when Louis Vuitton stocked its Ulaanbaatar showroom, the couches in the upstairs VIP room were covered in what looks like high-end horsehide. Place of honour in the main glass case is occupied by a kind horse saddle, studded with expensive gems. "It was custom made for Mongolia," confides the shop manager.

"Brand awareness is really growing in Mongolia," says Zoljargal, marketing manager for Shangri-La Ulaanbaatar, which operates Central Tower. Like many Mongolians, she goes by a single name. "When we started marketing this building, it was a totally new concept, with high standards. Few people were willing to commit. But now, the luxury concept is widely accepted."

In some ways, it's merely a return to form for a country that was once the repository of much of the world's finery and is credited by many with initiating various concepts of globalisation in the 13th century.

"Mongolia is becoming more sophisticated," agrees Enkhee, owner and chef of Silk Road, its menu celebrating the movement of goods and recipes, along that ancient highway, and the new Saffron restaurant. Easily the hottest home-grown culinary talent, his cooking and charisma has made him a celebrity TV chef, while his restaurants introduce new flavours and cooking ingredients. "Mongolia has become very modern," he notes. "Mongolians nowadays like to try new things." ■