

Chinese desire for 'heaven's stone' fuelling an explosion in demand for B.C.'s jade

BY PAUL LUKE, THE PROVINCE MARCH 31, 2013



Kirk Makepeace with several of his jade sculptures in Vancouver on March 27, 2013. This is an incense burner from the Polar Mine (on left) and a jade screen by a master Chinese carver from the Ogden Mine.

Photograph by: Wayne Leidenfrost, PNG

The stone of heaven waited years before Brian Matheson learned to hear its voice. After finally getting his attention, its first words were: "Keep your mouth shut and we'll get along fine."

Jade, a stone whose beauty has enslaved humans for centuries, can be forgiven for getting arrogant when it finds fresh meat.

Matheson, a North Vancouver jade carver, began working with the tough green substance the Chinese call heaven's stone 10 years ago.

He refers to it as "the master." Its wisdom rises clearly over the whine of the grinders, saws and blades that are the tools of his trade.

Each piece of rough jade he selects to carve tells him how to help it become the sculpture or piece of jewelry it wants to be, he says.

"It's very important to listen to what the stone wants," says Matheson, 38. "It doesn't seem to stop

teaching me things about me, about art and about the stone itself.”

Kirk Makepeace has been ministering to jade for three times as long as Matheson. Whereas Matheson is a creative servant, Makepeace is the stone’s commercial evangelist.

His life’s mission has been to spread the word that B.C., which has the world’s largest supply of nephrite jade, is a geological temple to the stone of heaven.

As president of Richmond-based Jade West Group, Makepeace quarries nephrite jade from three mines in northwestern B.C. and sells it — mainly to China, a nation jade enslaved 5,000 years ago.

China's jade devotees

The latest wave of jade devotees — also known as China’s middle class — has sparked a boom in B.C.’s jade industry. In other words, Chinese consumers’ growing affluence has empowered them to obey the stone of heaven’s dictates.

“Demand for our jade in China has exploded in the past five years,” Makepeace says. “All Chinese believe it is important to own, wear, give and even be buried with jade, and it is now possible.

“A stone that was normally reserved for emperors and ?others with power and wealth is now within the purchase power of millions of Chinese consumers.”

Another part of China’s reawakening to jade was its decision to use nephrite jade in the medals for the 2008 Olympics in Beijing. China, whose own supplies of nephrite have become scarce, promoted nephrite as the original jade of China. That corrected a widespread misconception in China that imported Burmese jadeite was the traditional jade of China.

Jade West’s nephrite shipments to China have tripled over the last five years. Ninety per cent of its annual production heads to China — nine times what it was when Makepeace started the company in 1981.

The rest finds its way to countries such as Thailand, Vietnam and New Zealand.

Output is rising to keep up with demand. Privately-owned Jade West is expected to produce about 300 tonnes in 2013 and 400 tonnes in 2014, up from 250 in 2012.

Jade West accounts for about half of B.C.’s jade production. Cassiar Jade Contracting, a private company based in Watson Lake, Yukon, generates the rest.

Compared with copper, coal or gold, it’s still a tiny industry for B.C.

“Jade has never been a darling of any public company from a mining perspective,” Makepeace, 58, says. “It’s not a commodity that trades like copper or gold so public companies would stay away.”

Five per cent of Jade West’s production is jewelry or gem quality, 30 per cent is for carving, and 50 per cent is for industrial uses such as floor and counter-tops.

Jewelry-grade jade, in its raw form, sells for \$50-\$200 US a kilogram; carving grade for art work is \$25-\$50 US per kilo; carving grade for souvenirs is \$8-\$15 per kilo and industrial grade is \$3-\$5 per kilo.

Jade sculpture an investment

Jade sculpture or jewelry has become an investment — or at least an indulgence in luxury — that is more compelling to many Chinese than gold or real estate, Makepeace says.

“A nice piece of jade has bragging rights,” he says. “If you have a beautiful jade sculpture, no one knows how much it’s worth, unlike a Bentley or a Lamborghini. The Chinese love that kind of stuff.”

Jade West owns five jade stores — one each in Vancouver and Victoria, two in Alaska and one in Mexico. The growing presence of jade-hungry Chinese tourists in B.C. has got it contemplating expansion.

“We’d be crazy not to open more stores in B.C.,” Makepeace says.

Whistler and Banff would be logical choices for new locations, and perhaps Richmond, he says.

Chinese shoppers, while they’re prepared to lay down big bucks, are not keen on trinkets, he says.

“They’re not interested in totem poles or bears with fish in their mouth,” he says. “They want the most expensive ladies’ bangles and will pay up to \$5,000 to \$10,000.”

Ten years ago, a comparable bangle would have fetched \$300.

Investment in jade mining

Investment has also poured into the mining end of the jade business. In 2011, the Li family of Richmond bought Jade West’s mines.

Patrick Li says his family became aware of jade’s commercial potential as a symbol of purity, beauty, luck — and wealth.

“Prior to jade, my family’s business revolved around real estate in ?China and B.C.,” Li says. “We felt a need to invest in and secure a position in an industry we felt confident in and that was less volatile and vulnerable to economic conditions.”

Makepeace remains mine manager, handles jade sales abroad and continues to own the retail outlets.

Jade West, which employs 45, has come a long way since Makepeace got a summer job in 1975 drilling for jade boulders in northern B.C. He saw enough promise in jade that he quit his commerce program at the University of B.C. to stick with it.

He found ways to make the mining process more efficient and grew by acquiring operations from

companies that couldn't make a go of it.

"To succeed in jade, you have to have a hands-on approach," he says. "I was successful at picking up failed mining companies and developing them."

His parents also had their hands on the business. Makepeace hired his mom as camp cook and his dad to drive a truck.

Chinese tariffs muddy waters

Recently, gloom has darkened B.C.'s jade boom. Last year, China sharply increased its tariff on nephrite jade imports.

It amounts to a flat tax of \$30 per kilogram, regardless of the quality or price of the jade imported.

Jade West's buyers can absorb the tariff on jewelry-grade jade but can't for the lower grades. As a result, orders for the lower grades — which account for the bulk of Jade West's production — have stalled and jade is piling up in B.C.

Makepeace speculates that the tariff was applied because Canadian nephrite has encroached on the market for Burmese jadeite. But he has no proof.

"We do not understand the logistics of the tariff as China has over 100,000 workers who make their livelihood from jade carving and there is little supply available in China itself."

JADE FACTS

Jade history is a mix of fact and folklore. In one tale, when Mongols invaded China, dragons saddened by the deaths wept tears that turned to jade after touching the earth.

- B.C. has the world's largest supply of nephrite jade.
- Nephrite is found at about 50 sites in the province. Richmond-based Jade West Group's three mines are near Dease Lake and Takla Landing.
- The short mining-prospecting season begins in June and lasts about 60 days.
- Jade West estimates it has at least 40 years of mine life at its mines.
- Jade boulders are weathered brown, grey or white, which conceals the green nephrite core.

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