

Australian wine re-entering China drives export value increase

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Australian wine exports increased in value by 17 per cent to \$2.2 billion in 2023â??24, the highest level since the 12 months ended September 2021, and volume remained relatively steady at 619 million litres according to Wine Australiaâ??s Export Report.

The value growth was due to a surge in exports to mainland China in the last three months of the financial year. Australian wine re-stocked supply pipelines following the removal of the duties on Australian bottled wine in late March 2024.

Peter Bailey, Wine Australia, Manager, Market Insights, said that the rise in exports to mainland China is still a small fraction of the historical peaks achieved in the market.Â

â??The surge in exports to mainland China towards the end of the financial year saw volume rise from 1 million litres to 33 million litres and value grow by \$392 million to \$400 million compared to last financial year,â? Bailey said.

574 companies were exporting to mainland China in 2023â??24, up from 115 in 2022â??23. Before the imposition of duties, more than 2,000 companies were exporting to mainland China. In 2023â??24, the top ten exporters by value to the market accounted for threeâ??quarters of the total value and 39 per cent of the volume of exports.

Exports of wine priced at \$20 or more per litre FOB, which roughly translates to 300 RMB per bottle retail, were the main driver of the value growth to mainland China, accounting for 84 per cent of the growth.

Exports to the rest of the world (excluding mainland China) declined by 4 per cent (\$68 million) to \$1.8 billion and volume decreased by 5 per cent (33 million litres) to 587 million litres. This is the lowest volume exported to the rest of the world in a financial year since 2003â??04. The decline in volume was most significant in unpackaged exports priced under \$1.50 per litre to the United States (US) and Canada (down a combined 20 million litres).