

Global Demand Pressures Weigh on Australian Wine Exports in 2025

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Australian wine exports declined by 8 per cent in value to \$2.34 billion and 6 per cent in volume to 613 million litres in 2025, according to Wine Australia's Export Report. The average value of exports decreased by 3 per cent to \$3.81 per litre Free on Board (FOB).

The reduction in overall exports was largely driven by declines in the value of exports to mainland China and the United States (US) and in volume to the United Kingdom (UK). However, there were markets recording value growth for Australian wine, including Canada, Singapore, Thailand and Malaysia, indicating areas of opportunity for ongoing market diversification.

Wine Australia Manager Market Insights Peter Bailey said the overall weakened export performance is consistent with the long-term trend of declining wine consumption in major markets around the world.

“Consumers are reducing overall alcohol consumption in line with wellness trends and to save money as the cost-of-living increases. For wine exporters around the world, trade barriers and regional conflicts are also making it more difficult and costly to get product into markets,” Bailey said.

Exports to mainland China had the biggest impact on the decline in value, as shipments to the market were down by 17 per cent year-on-year to \$755 million, following the initial restocking period after the removal of import tariffs on Australian wine.

“While the re-opening of the mainland China market at the end of March 2024 provided some temporary relief in the decline in total exports, the Chinese wine market is one-third of the size it was five years ago – impacting both domestically produced and imported wines,” Bailey said.

“While shipment levels in the first three quarters after tariffs were removed were exceptionally positive, consumer demand has been subdued. Chinese consumer confidence has only made minor improvements since falling to an all-time low in 2022 during the COVID-19 pandemic, which has negatively impacted consumer spending.

“Red wine was the driver of the decline in shipments to mainland China over the past 12 months. Exports of white wine increased by 77 per cent in volume, growing to a 15 per cent share of export volume from 7 per cent in the previous year. The top three varieties in white wine exports to mainland China – Chardonnay, Sauvignon Blanc and Riesling – all grew.”

More than 50 per cent of the volume of Australian wine exports goes to the UK and the US. These two wine markets are facing very tough headwinds, including changing consumer habits with preferences away from wine drinking occasions and increased cost-of-living. According to the latest Circana and SipSource sales data from these markets, overall wine sales in

the UK off-premise declined by 4 per cent in the past 12 months, while wine depletions in the US declined by 8 per cent. This marked the fifth year of declines in the US wine market and the first time in two decades that total wine sales fell below 300 million cases, according to Impact Databank.

The export value of Australian wine to the UK and US declined by 3 and 12 per cent, respectively. However, shipment volume to the US increased due to growth in unpackaged wine shipments (to be packaged in market). Premium wine exports to the UK also increased, with shipments valued at over \$7.50 per litre growing by 15 per cent. The growth was spread across many of the key varieties, including Shiraz, Cabernet Sauvignon, Chardonnay, Grenache and Sauvignon Blanc.Â

Australian wine exports to Canada increased by 12 per cent in value to \$175 million. Growth came from across the price spectrum of packaged wines as Canadian consumers look to replace American wines with other source countries following the removal of American wines from liquor board shelves.

The Asian region, excluding mainland China, increased by 1 per cent in value to \$494 million. Shipments to Singapore increased by 18 per cent in value to \$118 million, overtaking Hong Kong for the first time since the 12 months to September 2020. Value growth was widespread across other Asian destinations, with the largest increases in Thailand, Malaysia, Indonesia, and Taiwan. The important Northeast Asian markets of Japan and South Korea also grew at slightly lower rates.Â