

# Wine – signs of recovery

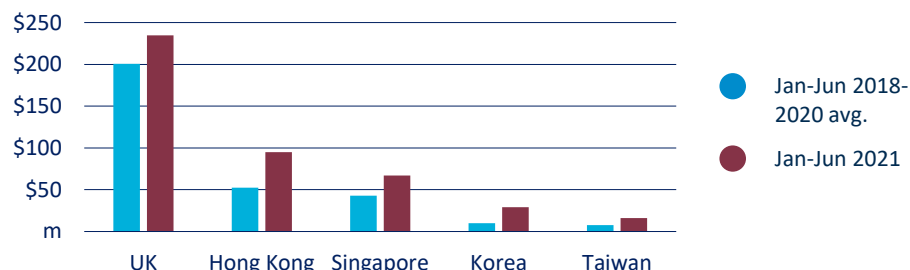
## Q2 2021

Australian wine producers and exporters are diversifying their export markets but the loss of the China market and COVID-19 has seen both the value and volume of Australia's wine exports fall in the first half of 2021.

### Wine exports diversify but China continues to leave a big hole

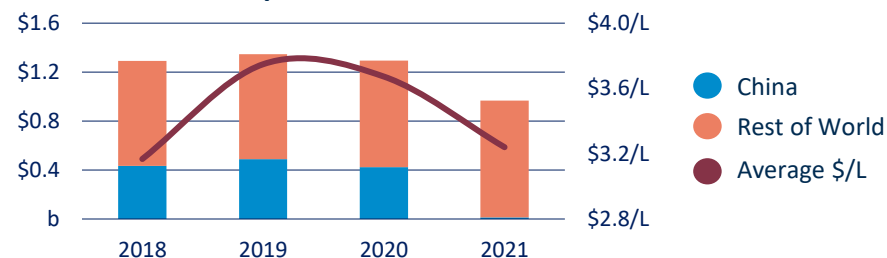
- > Australian wine exports to China peaked at \$1.1b in 2019-20, accounting for 37% of Australia's total wine exports. In 2019-20, Australian wine exported to China received \$8.89/L on average, substantially higher than \$3.90/L average overall.
- > The value of Australia's wine exports has been affected by the loss of the China market and the reduced global demand from the hospitality sector due to COVID-19. The total value of Australian wine exports in Jan-June 2021 were 26% lower on the previous Jan-June 3-year average.
- > The volume of Australian wine exports fell by 20% in 2020-21. This is explained by a combination of reduced production and the potential for wine to be sold or stored in Australia.
- > Between Jan and June 2021 Australian wine exports to Hong Kong (130%), Singapore (65%) and Korea (172%) increased markedly (though off a low base). These are encouraging signs, however it will take time to develop brand recognition for Australian wine in alternative markets.

### Australian wine exports to selected countries, Jan-June 2018 to 2020 (average) and 2021



Data sources: ABS Catalogue 9920.0, ABARES Agricultural commodities, vol. 11, no. 2, Wine Australia and General Administration of Customs China.

### Australian wine exports, Jan - June



### China's total wine imports remain low, France and Chile take market share

- > Between 2018 and 2020, Australia accounted for 32% of the value of China's wine imports. In 2021, France and Chile have taken a larger share of the China wine market.
- > The total value of China's wine market has been falling steadily since 2018. This trend has continued in 2021 with imports between Jan and June 34% below the previous 3-year average.

### Value of China wine imports by source, Jan-June 2018 to 2021

