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China’s wine imports fell 70% as restaurants rewrote pricing strategies

Higher import costs and digital price transparency are pushing operators toward lower margins, exclusive labels and younger drinkers

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China’s wine market is shrinking in volume while becoming more expensive at the import level, a shift that is forcing restaurants, importers and distributors to rethink how they sell alcohol in the country’s on-trade.

At a Vinexpo Hong Kong panel on China’s restaurant and bar business, several market specialists said wine imports into China fell 70% by volume between 2018 and 2025. They linked the decline to changes that began during the pandemic and deepened with weaker consumer spending, a property downturn and government austerity measures that reduced banquets and corporate drinking.

The result, they said, has been a harder environment for food and beverage operators, with fewer diners, restaurant closures and slower wine sales. At the same time, the average import price per nine-liter case roughly doubled between 2020 and 2025, rising from about $43 to $86, according to figures cited from China’s Customs Bureau during the discussion.

That combination points to a market with less volume but higher unit values, especially at the upper end. For the beverage sector, the change matters because it can alter purchasing plans, portfolio strategy and pricing across the supply chain. Importers may need to carry fewer mass-market labels and protect more differentiated products, while restaurants may have to lower margins or reserve certain wines for specific channels.

Ian Ford, co-founder of Nimbility, said average bottle sale prices in China’s on-trade are down 25% to 30%, which runs against the usual idea of premiumization. Instead of broad-based trading up, he described a split market in which lower prices are common in restaurants while imported wines entering the country are costing more on average.

Panelists said one major reason is price transparency in China’s digital retail system. Diners can compare prices instantly and often bypass restaurant wine lists by ordering through delivery platforms such as Meituan and having bottles brought directly to their table within minutes. That practice has added pressure on restaurants that once relied on traditional markups.

Oscar Nagore, chief executive of EMW Wines, said businesses now need separate portfolios for instant retail, online sales and on-trade accounts if they want a sustainable model. Lu Yang, a master sommelier and wine consultant in China, said exclusivity has become one way to defend margins. When he finds wines available through importers that fit his restaurant clients, he tries to secure all available stock so those bottles cannot be easily found elsewhere.

Yang also said the old standard of tripling cost on restaurant wine lists no longer works in many cases. He said some operators are moving closer to 50% margins, or around twice cost, and even less for higher-end wines. He pointed to Bordeaux as an example of a category that is heavily oversupplied in China and can be used as a pricing benchmark to build trust with consumers if listed at relatively low margins.

Ford said restaurants that cannot stop guests from buying outside bottles should consider working with delivery platforms themselves through curated QR-code wine lists. The margin may be lower, he said, but it can still be better than losing the sale entirely.

The panelists agreed that premiumization in wine is now concentrated mainly at the top of the market. Yang said that based on his work with about 60 restaurants, meaningful premiumization is largely limited to venues where the average check exceeds 2,000 yuan. In lower- and middle-tier restaurants, he said, wine often plays a minor role or has been dropped from the list because guests bring their own bottles.

That trend suggests China’s on-trade is being rebuilt around a different kind of drinker than before Covid. The old model depended heavily on formal business meals, banquet spending and status-driven consumption. The newer consumer described by speakers is younger, more digital and more likely to drink for personal enjoyment than obligation.

Nagore said this group is less institutional in its habits and more driven by emotion and experience. He argued that recruiting new drinkers is essential because without them there is little long-term future for imported wine in China.

His company’s sales mix already reflects changing tastes. White wine now accounts for 38% of volume in EMW’s portfolio, he said, while red wine demand is shifting toward lighter and fruitier styles. That marks a notable change in a market long associated with fuller-bodied reds.

The panel also said food trends are no longer automatically helping wine. Nagore noted strong growth in regional Chinese cuisine and said some hotels in second-tier cities no longer see a need for dedicated Western restaurants. Yang added that food-and-wine pairing is not a major driver of sales or premiumization in China today, limiting one of the classic arguments used by wine sellers in restaurant settings.

One area where speakers did see stronger pricing power was domestic Chinese wine. Yang cited producers from Shangri-La as examples of labels that can still command prices at three times cost while finding buyers. In his view, local wines are helping bring new consumers into the category even as imported wine struggles for broader relevance.

The wider alcohol market also shows how small imported wine remains compared with other drinks. Ford said baijiu accounts for about $160 billion of China’s alcohol beverage market, while imported wine is worth only about $1.3 billion by import value. He argued that even capturing 2% to 3% of baijiu’s category value would translate into billions of dollars for wine and could potentially double or triple the size of imported wine’s current market.

That comparison helps explain why this shift matters beyond wine alone. As Chinese consumers move away from banquet drinking and toward more casual or home-based occasions, producers across spirits, beer and wine may need to adjust pack formats, channel strategy and brand positioning. For restaurants and bars, beverage programs may increasingly depend on exclusivity, lower markups and experiences tailored to younger guests rather than traditional prestige cues.

Speakers pointed to newer event formats aimed at Gen Z drinkers as one possible path forward. Ford cited Shanghai-based events designed to make wine feel less formal and more social. The goal is to present wine as part of everyday leisure rather than as a symbol tied to ceremony or business entertainment.

The message from the panel was that China’s pre-pandemic on-trade model is unlikely to return soon. Instead, operators are adapting to a market where volume has fallen sharply, import prices have risen, baijiu remains dominant and success in wine depends less on old banquet culture than on finding new consumers willing to drink by choice.