vinetur

Reshaping the australian wine landscape

From china's decline to the uk's ascent

Friday, September 22, 2023



Australian wine exports have witnessed a subtle shift in the first half of 2023, with volumes, values, and market destinations evolving in response to global market dynamics. According to data provided by the Australian customs, there are noteworthy developments that offer a clearer view of Australia's standing in the global wine market.

The first six months of 2023 saw a slight 0.9% dip in Australian wine export volumes, bringing the figure down to 297.6 million liters. More significantly, the value of these exports fell by 6.9%, translating to $607 million, as the average price decreased by 6% to $2.04 per liter (a decrease of $0.13).

These export figures closely mirror those of the past two years, a recovery trajectory after the substantial losses experienced in 2021. This drop was mainly attributed to the near-complete cessation of wine sales to China, a once-crucial market for Australian wines. China had imposed hefty tariffs on Australian wine imports towards the end of 2020, causing this drastic fall in exports.

Dynamics within Wine Categories

Bulk wine solidified its position as Australia's most exported wine category, witnessing an 11.9% rise and reaching 185.7 million liters. This stands in contrast to bottled wine, which experienced a decline of over 20%, settling at 91.8 million liters. In terms of value, bottled wine still takes the lead, even after a 9.9% drop, amounting to $432 million. This is significantly higher than the $138.6 million accrued from bulk wine sales, which rose by 2.2%. The price per liter for bottled wine also surged by 13% to $4.71, greatly surpassing the $0.75 price of bulk wine.

Other notable categories include the bag-in-box wines, showing growth patterns similar to bulk wines, with a volume increase of 12.8%. However, its value growth was minimal, only 0.5%, reducing its price to $0.82 per liter. Sparkling wines, though facing an 18.3% volume reduction, saw only a minimal 1.8% value drop, pricing them near $5.12 per liter after a 20% price surge.

Exploring Export Destinations

During the first half of 2023, Australian wines found their way to 98 global markets. The United Kingdom emerged as the leading volume destination, with an import increase of 2.1%, totaling 108.2 million liters. The United States followed with 62.4 million liters, despite a 4.2% decline. In terms of value, the UK reached $121.6 million, narrowly surpassing the U.S., which amounted to $115.2 million.

On the higher end of the price spectrum, markets such as Hong Kong and Singapore, known for their preference for premium wines, recorded prices of $18.85 and $11.22 per liter, respectively. Hong Kong, in particular, experienced a notable 72% surge in value, securing its position as the third-largest market.

Meanwhile, China, which was a dominant market for Australian wine up to 2020, now has a limited role, with a mere 469,000 liters sold in the first half of 2023, valued at approximately $3.39 million.