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Australian wine exports to China lose steam after initial post-tariff surge

Industry faces renewed uncertainty as Chinese demand slows and global wine consumption continues to decline

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Australia’s wine export boom to China, which followed the lifting of tariffs in March last year, is beginning to lose momentum. After a sharp increase in shipments that briefly revived the industry’s fortunes, recent data show a slowdown in exports to China,

Australia’s most valuable overseas market for wine.

According to Wine Australia, the country exported just over A$1 billion ($640 million) worth of wine to China in the 12 months ending March 31, 2024. This figure nearly matches the record A$1.15 billion reached in the year to March 2020, before trade restrictions were imposed. The surge came after Beijing removed tariffs on Australian wine on March 29, 2023, ending more than three years of negligible trade due to a diplomatic dispute.

However, the initial rush has faded. In the first quarter of 2025, Australian wine exports to China totaled A$126 million. This is the lowest value for any January-to-March period since 2016. The influx of Australian bottles in 2024 did lead to China’s first annual increase in wine imports since 2018, according to Chinese customs data accessed through Trade Data Monitor. But imports from other major suppliers like France, Chile and Italy have dropped by more than half since 2018 and continue to decline.

Peter Bailey, market insights manager at Wine Australia, said that while reaching A$1 billion in exports was a significant achievement, continued growth is not guaranteed. He noted that “there definitely has been a slowdown” and warned that Australia cannot rely on China alone to solve its domestic oversupply issues.

The earlier trade barriers imposed by China in November 2020 had a severe impact on Australia’s wine industry. The restrictions led to a glut of unsold wine, falling grape prices and forced some vineyards out of business. Even with the return of Chinese demand, Wine Australia reports that China is now importing fewer bottles overall and focusing on higher-priced wines rather than large volumes.

Compounding these challenges, Australia’s wine exports to other global markets also declined in the year ending March 31. Bailey pointed out that Australia could potentially benefit from new Chinese tariffs on U.S. wines—which are expected to halt about $50 million worth of American exports annually—and from Canada’s move away from U.S. wines. However, he cautioned that it is too early to predict how much these shifts will help Australian producers.

The broader context is a global decline in wine consumption, with China experiencing an especially sharp drop. While the removal of tariffs provided temporary relief for Australian winemakers, industry leaders say they must look beyond China and adapt to changing international demand if they hope to secure long-term stability.