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Chinese Wine Industry Shifts Focus to Domestic Market Amid Export Challenges

Producers prioritize quality and local consumers as international ambitions cool, signaling a new phase of consolidation and growth.

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When Janet Z Wang published her book, The Chinese Wine Renaissance: A Wine Lover’s Companion, in 2019, she was optimistic about the future of Chinese wine on the international stage. At that time, China’s wine industry appeared ready for a

breakthrough, with growing interest from both producers and consumers. Six years later, Wang has revised her expectations as the global and domestic landscape for Chinese wine has shifted.

Wang now acknowledges that her earlier prediction of a rapid rise in Chinese wine exports has not materialized. She points to several factors behind this change. The COVID-19 pandemic had a significant impact, disrupting supply chains and shifting consumer behavior worldwide. International buyers have become more cautious, preferring to stick with familiar products rather than take risks on new categories like Chinese wine. Consumers themselves have also become more conservative, often choosing brands and origins they already know during uncertain times.

Geopolitical tensions have added another layer of difficulty for Chinese wine abroad. Wang notes that China is not currently a favored origin in many international markets, making it harder for Chinese wines to gain traction. Despite these challenges, she believes that wine can serve as a bridge between cultures, offering insights into China’s history and identity. She emphasizes the importance of maintaining open dialogue through cultural exchanges such as wine appreciation, especially when political relations are strained.

While international ambitions have been tempered, Wang sees positive developments within China’s domestic market. She describes a renewed sense of confidence among local producers and growing support from Chinese consumers. Producers are experimenting with new techniques and focusing on quality over quantity. This shift comes despite a sharp decline in reported production figures in recent years. According to data from the International Organisation of Vine and Wine (OIV), Chinese wine production fell by 17% in 2024 compared to the previous year, which itself saw a 33% drop from 2022.

Wang explains that these declines partly reflect corrections to previously inaccurate data, including double counting and inconsistent reporting by producers who did not make wine every year. The current landscape is marked by consolidation, with serious and premium producers taking the lead while less committed players exit the market. Efforts to improve quality have also contributed to lower yields, as regions introduce

appellation rules and maximum yield restrictions.

This focus on quality is beginning to pay off domestically. Wang observes that more Chinese consumers are seeking out local wines and showing pride in homegrown products. The domestic market has matured since the pre-pandemic period, when expectations were often unrealistic. Now, established producers are consolidating their positions while opportunistic entrants have faded away.

With strong demand at home, there is less incentive for Chinese wineries to pursue exports aggressively. However, some still see value in selling abroad as a way to build their brand internationally and reinforce their reputation within China. For many producers, exporting is now more about image than volume.

Despite setbacks on the international front, Wang remains confident about the long-term prospects for Chinese wine. She suggests that initial expectations may have been too high in the short term but underestimated the potential impact over time. As the industry matures and consolidates, she believes it deserves renewed attention from global consumers and professionals.

Wang encourages observers to look at China’s wine industry again with a more realistic perspective. The market is still young but is showing signs of stability and growth driven by quality improvements and changing consumer attitudes at home. For those interested in global wine trends, China remains a market worth watching as it enters this new phase of development.