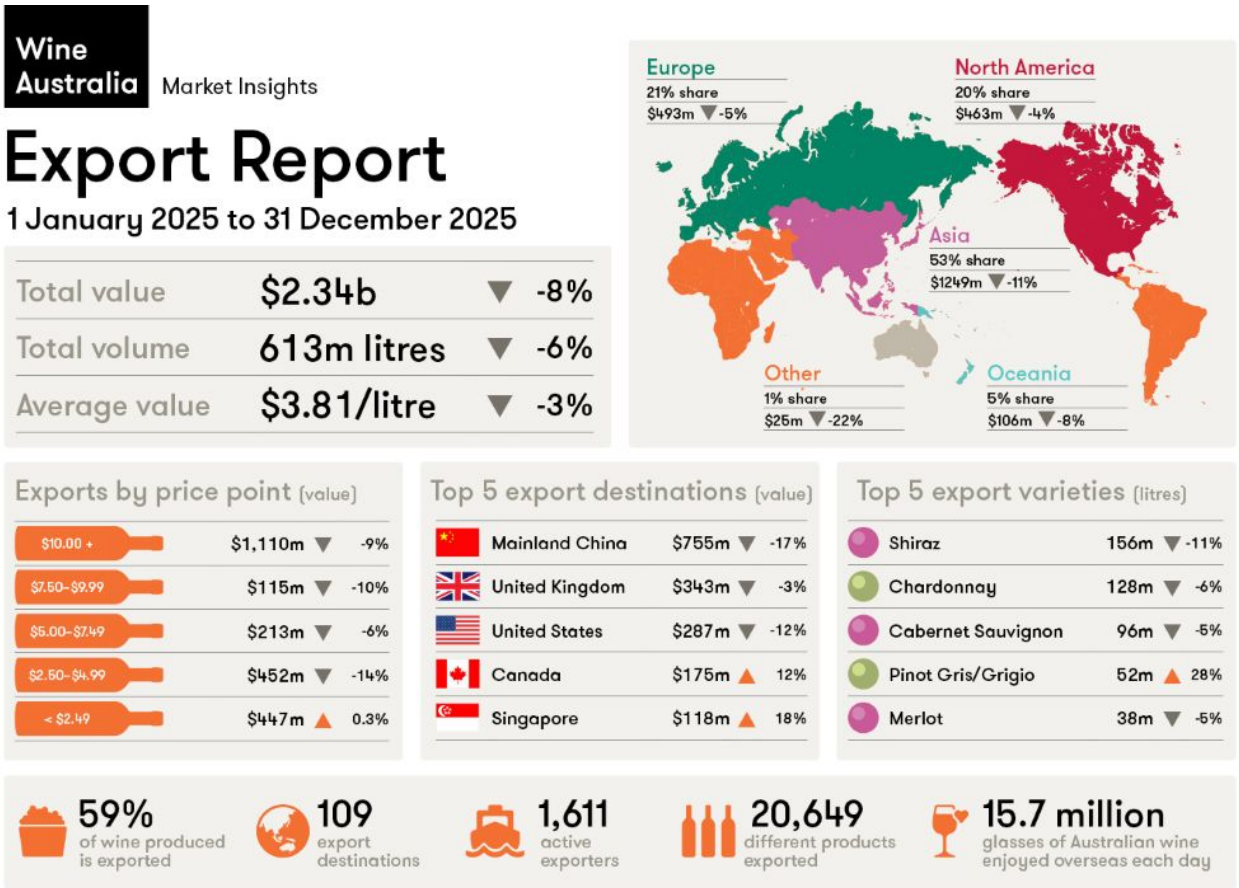
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Australian Wine Exports Drop 8% as Demand Slumps in China and U.S.

Industry faces global decline in wine consumption and rising trade barriers despite growth in select Asian and Canadian markets.

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Australian wine exports fell by 8% in value to $2.34 billion and by 6% in volume to 613 million liters in 2025, according to Wine Australia’s Export Report released today. The average value per liter dropped by 3% to $3.81 Free on Board (FOB). The decline was mainly due to lower export values to mainland China and the United States, and a decrease in volume shipped to the United Kingdom.

The report highlights that while overall exports declined, some markets showed growth. Canada, Singapore, Thailand, and Malaysia recorded increases in the value of Australian wine imports, suggesting opportunities for market diversification. Peter Bailey, manager of market insights at Wine Australia, said the drop in exports matches a global trend of falling wine consumption in major markets. He pointed out that consumers are drinking less alcohol due to wellness trends and efforts to save money as living costs rise. Bailey also noted that trade barriers and regional conflicts are making it harder and more expensive for exporters to reach international markets.

Exports to mainland China had the largest impact on the overall decline. Shipments to China fell by 17% year-on-year to $755 million after an initial restocking period following the removal of import tariffs on Australian wine. Bailey explained that although the Chinese market reopened at the end of March 2024, it is now only one third the size it was five years ago. Consumer demand in China remains subdued, with only minor improvements in consumer confidence since its record low during the COVID-19 pandemic in 2022.

Red wine exports drove most of the decline in shipments to China over the past year. However, white wine exports increased by 77% in volume, rising from a 7% share of export volume last year to 15%. The main white varieties exported were Chardonnay, Sauvignon Blanc, and Riesling.

More than half of Australia’s wine export volume goes to the UK and US. Both markets are facing challenges from changing consumer habits and higher living costs. In the UK, off-premise wine sales dropped by 4% over the past year, while US wine depletions fell by 8%. This marks five consecutive years of decline in US wine sales and is the first time in two decades that total US wine sales have dropped below 300 million cases.

The value of Australian wine exports declined by 3% to the UK and by 12% to the US. However, shipment volume to the US increased due to more bulk wine being sent for packaging within the country. Premium wine exports to the UK also grew, with shipments valued above $7.50 per liter rising by 15%. This growth included key varieties such as Shiraz, Cabernet Sauvignon, Chardonnay, Grenache, and Sauvignon Blanc.

Exports to Canada rose by 12% in value to $175 million. Growth came from packaged wines across different price points as Canadian consumers replaced American wines after they were removed from liquor board shelves. In Asia (excluding mainland China), export value increased by 1% to $494 million. Shipments to Singapore grew by 18% in value to $118 million, surpassing Hong Kong for the first time since September 2020. Other Asian destinations showing strong growth included Thailand, Malaysia, Indonesia, and Taiwan. Japan and South Korea also saw moderate increases.

The top five export markets by value were: mainland China ($755 million, down 17%), United Kingdom ($343 million, down 3%), United States ($287 million, down 12%), Canada ($175 million, up 12%), and Singapore ($118 million, up 18%). By volume, the leading markets were: United Kingdom (194 million liters, down 9%), United States (118 million liters, up 11%), mainland China (69 million liters, down 18%), Canada (64 million liters, down 2%), and New Zealand (24 million liters, down 13%).

Wine Australia’s Export Report provides further details on these trends and is available for download on their website. All values are reported in Australian dollars and FOB refers to the value at which goods are placed on board an international carrier at Australia’s border.