Wine Australia providing insights on Australian Wine

Export Report

Moving Annual Total (MAT)

To September 2016

Contents

Summary Report

Commentary

The key highlights for the 12 months are:

• Double-digit growth in value

• 70 per cent of exporters contributed to value growth

• Record value for exports of $10 per litre and above free on board (FOB)

• The average value of bottled exports hit a 13-year high

• Red wine is driving growth with strong performances in the top five red varieties

• For the first time, mainland China is now the number one destination by value.

In the twelve months to September 2016, the value of Australian wine exports grew by 10 per cent to $2.17 billion and volume increased by 0.2 per cent to 734 million litres. The average value of exports grew by 10 per cent to $2.95 per litre, the highest level since December 2009.

The growth in export value was driven by bottled exports, most notably at higher price points. More than half the value growth was in wines of $10 per litre and above FOB. This reflects the increasing demand for premium Australian wines in most regions around the world, particularly Northeast Asia.

Bottled exports grew by 14 per cent to $1.8 billion while bulk wine exports declined by 3 per cent to $392 million. Soft-pack exports declined 15 per cent to $13 million and exports in alternative packaging such as PETs decreased by 12 per cent to $4 million.

The average value of bulk wine exports increased by 0.1 per cent to $0.97 per litre FOB and has remained below $1 per litre for the past two years. This reflects large vintages over the few years from the big European producers, particularly Spain. In 2015–16, Spain exported 1.3 billion litres of bulk wine at $0.56 per litre; to put this in context, Australia's total production in 2015 was 1.2 billion litres of wine.

The average value of bottled exports increased by 9 per cent to $5.47 per litre, the highest level since June 2003. There was growth in bottled exports in all price points but growth was strongest at the higher end:

• exports at $10 per litre FOB and above increased by 28 per cent to a record $547 million

• exports in the range $5.00–7.49 per litre FOB grew by 19 per cent to $273 million, and

• exports in the range $7.50–9.99 per litre FOB grew by 4 per cent to $143 million.

There was double-digit growth in all price segments of $10 per litre and above FOB (see figure 1), with the strongest rates of growth between $20 and $99.99 per litre.

Figure 1: Exports of wine by price segment

Price segment (A$/litre)	Value Oct 2015-Sep 2016	Added value	Growth rate
$10.00-$14.99	$163,029,725	$25,310,131	18%
$15.00-$19.99	$82,646,203	$16,119,690	24%
$20.00-$29.99	$77,963,814	$21,465,495	38%
$30.00-$49.99	$49,670,038	$17,660,234	55%
$50.00-$99.99	$129,853,552	$34,596,723	36%
$100.00-$199.99	$11,415,300	$1,826,012	19%
$200.00 +	$32,729,287	$4,179,287	15%
Total above A$10	$547,307,919	$121,157,572	28%

Red wine continues to be the dominant Australian category with a 72 per cent share of export value, ahead of white wine with 25 per cent, and other wines with 3 per cent. Red wine was the standout category, up 14 per cent to $1.6 billion. Exports of white wine also grew but at a much lower rate, up 3 per cent to $535 million.

Commentary (continued)

Within the red category, the five most exported wines all recorded outstanding growth:

- Shiraz grew by 20 per cent to $488 million
- Cabernet Sauvignon grew by 17 per cent to $276 million
- Shiraz/Cabernet Sauvignon grew by 7 per cent to $118 million
- Merlot grew by 5 per cent to $97 million, and
- Cabernet Sauvignon/Shiraz grew by 24 per cent to $94 million.

Within the white category, the results were mixed for the five most exported wines:

- Chardonnay was down 1 per cent to $164 million
- Sauvignon Blanc was up 5 per cent to $32 million
- Pinot Grigio was up 25 per cent to $29 million
- Riesling was up 27 per cent to $18 million, and
- Pinot Gris was up 9 per cent to $17 million.

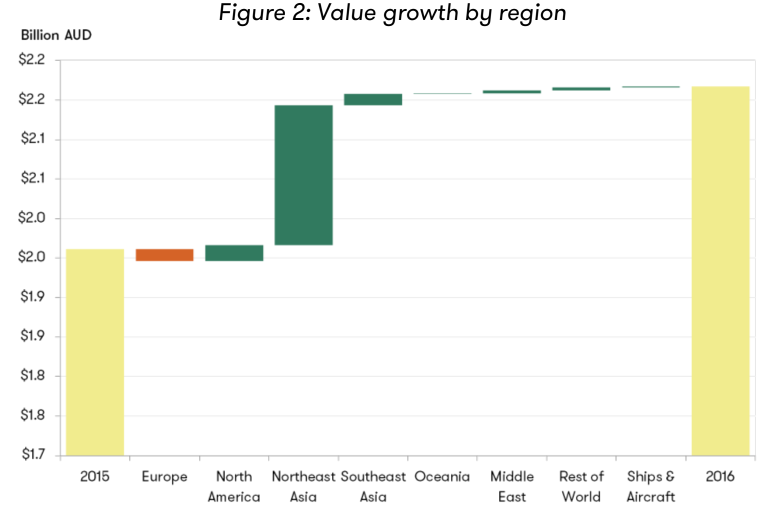
There were 1743 active exporters in the period – up from 1432 in the same period in 2015 – with 1231 of them contributing to the increase in value. Exports by the 1231 exporters who experienced growth grew by 24 per cent ($356 million) to $1.84 billion. The value growth in this group was partially offset by the exporters who either ceased exporting, recorded a decline or had no change – this group declined by 32 per cent ($151 million) to $323 million.

Destinations

Exports to all regions recorded growth in the last year, except for those to Europe, which declined by 3 per cent to $570 million (see figure 2). Exports to Northeast Asia continued to drive growth, with their value increasing by $177 million (35 per cent) to $678 million. North America was the next fastest growing market; it grew by $21 million (3 per cent) to $639 million. Exports also grew to:

- Southeast Asia by $15 million (11 per cent) to $152 million
- the Middle East by 21 per cent to $20 million, and
- cruise ships and airlines by 18 per cent to $7 million.

Figure 2: Value growth by region



Exports were destined for 122 countries and value increased to 81 of these, including four of the top five markets. The top five markets by value were:

Commentary (continued)

- mainland China (22 per cent share of export value)
- the United States (21 per cent)
- the United Kingdom (17 per cent)
- Canada (9 per cent) and
- Hong Kong (6 per cent).

Together, these markets accounted for three-quarters of the value of Australian exports. The top five markets by volume were:

- the United Kingdom (33 per cent share of export volume)
- the United States (21 per cent)
- mainland China (12 per cent)
- Canada (8 per cent) and
- Germany (5 per cent).

It's important to note that more than 80 per cent of wine exported to the United Kingdom and Germany was shipped in bulk containers and this has a significant impact on the reported FOB values.

Exceptional growth to mainland China continued, with the value of exports up 51 per cent to $474 million. Mainland China is now the number one destination for Australian wine exports by value for the first time. Exports to the United States also increased, by 4 per cent to $448 million. The United States had been the top-ranked destination by value for the previous seven years. The UK market continues to be our largest in volume terms but, because 80 per cent of wine is shipped in bulk, it ranks third in value and exports were down 3 per cent to $361 million. The Canadian market was up 1 per cent to $190 million and the Hong Kong market was up 7 per cent to $126 million.

Asia

Mainland China

Australia is ranked second after France in the value of wine exported to mainland China. French wines have 45 per cent of the imported wine market, Australian wines have 23 per cent of the market and Chilean wines have 11 per cent of the market. Notably, among the top eight importing countries, Australia has the highest average value per litre for wine.

The outstanding growth in Australian wine exports continued in the last 12 months, aided by the introduction of the China–Australia Free Trade Agreement (ChAFTA) in December 2015 and the growing interest of the Chinese middle class in wine.

Exports to mainland China grew by 51 per cent to $474 million. To put this in context, a decade ago Australian exports to the country were valued at $27 million.

Volume into mainland China also grew by 52 per cent to 90 million litres and average value was down marginally to $5.26 per litre FOB.

Driving this growth are several factors, including the increasing appetite for premium Australian wine at high prices. The average consumption frequency of imported wine amongst the Chinese upper-middle class continues to grow. Research from Wine Intelligence suggests there are now 48 million upper-middle class imported-wine drinkers in mainland China, up from 19 million in 2010. Wine Intelligence projects that this figure will grow to 160 million people by 2025. Wine is becoming more of an everyday premium drink for imported wine consumers rather than an ultra-luxury product. The China Wine Barometer report prepared by the University of South Australia and funded by Wine Australia supports this trend. Furthermore, it suggests that consumption occasions are moving more into the informal and 'at home' locations, which means that sales are growing faster in the off-premise than on-premise channels.

Commentary (continued)

Value increased across the price segment spectrum:

• $2.49 and under FOB increased by 62 per cent to $28 million

• $2.50–4.99 FOB increased by 42 per cent to $140 million

• $5.00–7.49 FOB increased by 48 per cent to $78 million

• $7.50–9.99 FOB increased by 37 per cent to $38 million, and

• $10.00 and over FOB increased by 63 per cent to $190 million.

Growth was particularly strong in the price segments where Australia's most expensive wines are shipped, with an additional $74 million in export revenue generated above $10 per litre (see figure 3).

Figure 3: Exports of premium wine to mainland China by price segment

Price segment (A$/litre)	Value Oct 2015-Sep 2016	Added value	Growth rate
$10.00-$14.99	$48,012,219	$12,805,516	36%
$15.00-$19.99	$25,670,995	$4,243,794	20%
$20.00-$29.99	$38,147,013	$18,129,894	91%
$30.00-$49.99	$21,804,189	$13,079,959	150%
$50.00-$99.99	$45,184,806	$20,515,829	83%
$100.00-$199.99	$2,528,699	($111,786)	-4%
$200.00 +	$8,545,520	$4,997,628	141%
Total above A$10	$189,893,442	$73,660,834	63%

Exports to mainland China contributed 60 per cent of the growth in the value of all Australian exports at $10 and above per litre FOB. A third of Australian wine exported in this price segment is now exported to mainland China.

China's thirst for Australian red wines is showing no signs of abating as the value of red wine exports grew by 53 per cent to $441 million. This represents 93 per cent of Australian exports to mainland China. Furthermore, 28 per cent of all Australian red wine exports are destined for mainland China, well ahead of the United States with 17 per cent of red wine exports. There was also very solid growth in white wine exports as Chinese consumers broaden their palates beyond red wines. White wine exports increased by 33 per cent to $23 million.

The top five red varieties exported are:

• Shiraz – 40 per cent of red exports

• Cabernet Sauvignon – 19 per cent

• Cabernet Sauvignon/Shiraz blends – 8 per cent

• Shiraz/Cabernet Sauvignon blends – 7 per cent, and

• Merlot – 5 per cent.

All five had exceptional growth:

• Shiraz grew by 59 per cent to $178 million

• Cabernet Sauvignon grew by 50 per cent to $82 million

• Cabernet Sauvignon/Shiraz blends grew by 60 per cent to $34 million

• Shiraz/Cabernet Sauvignon blends grew by 30 per cent to $33 million, and

• Merlot grew by 10 per cent to $23 million.

All five varieties also recorded strong growth in exports of $10 and above per litre FOB.

Commentary (continued)

Other red wine varieties in growth included Cabernet Sauvignon/Merlot, Shiraz/Cabernet Sauvignon/Merlot, and Shiraz/Viognier blends and Pinot Noir.

There were mixed results for the major white varieties exported to China:

• Chardonnay grew by 33 per cent to $8 million, with growth across all price points except under $2.50 per litre

• Sauvignon Blanc grew by 40 per cent to $1.6 million, with growth across all price points except under $2.50 per litre

• Riesling grew by 27 per cent to $1.4 million, with growth in higher price points

• Semillon was down by 46 per cent to $928,000, due mainly to a decline in exports above $10 per litre, and

• Semillon/Sauvignon Blanc blends were up by 64 per cent to $830,000 driven by growth at $5.00-7.49 per litre.

The number of companies exporting to mainland China increased from 963 to 1275 and 971 exporters contributed to value growth.

Hong Kong

Hong Kong is the fifth largest export destination for Australian exports by value and the second largest in Asia. Exports increased in value by 7 per cent to $126 million and by 8 per cent in volume to 9 million litres. Of the top 50 destinations to which Australia exports, Hong Kong recorded the highest average value for wine of $13.53 per litre. This reflects that exports to Hong Kong at $10 and above per litre FOB account for 74 per cent of all exports to that market. This indicates the success and popularity of some of Australia's finest wines in that market, where there is zero tax on wine. Australian fine wine exports to Hong Kong have steadily grown over the last decade and the country is now the second largest destination for Australian wine exports at $10 and over per litre FOB, behind mainland China.

Since the removal of all duty-related customs and administrative controls in February 2008, Hong Kong has further developed into a wine trading and distribution centre for the region. Some imported wines are re-exported to other Asian destinations, with 95 per cent of re-exports going to mainland China and Macau. Hence not all Australian wine exported to Hong Kong is consumed in the country. In recent years, the Hong Kong SAR government has agreed with the Mainland Chinese government on simplification of the requirements for customs clearance of wines exported from Hong Kong into China, hence driving the growth of re-export of wine, which has positively impacted Australia's performance in export to Hong Kong.

Red wine makes up 93 per cent of exports to Hong Kong. The value of red wine exports increased by 7 per cent to $117 million while the value of white wine exports declined by 4 per cent to $7 million.

There was growth in most price points:

• $2.50–4.99 grew by 1 per cent to $10 million

• $5.00–7.49 grew by 17 per cent to $14 million, and

• $10.00 and over grew by 7 per cent to $93 million.

The number of companies exporting to Hong Kong increased from 364 to 395 and 268 of them recorded value growth.

Other Asian destinations

Apart from mainland China and Hong Kong, Australian wine was exported to another 23 destinations in Asia. Combined exports to the rest of Asia increased by 11 per cent to $237 million.

Commentary (continued)

The most significant in value terms were:

- Singapore, up 9 per cent to $62 million
- Malaysia, up 24 per cent to $55 million
- Japan, down 0.3 per cent to $45 million
- Taiwan, up 23 per cent to $19 million
- Thailand, down 6 per cent to $15 million
- South Korea, up 42 per cent to $14 million
- Philippines, up 6 per cent to $7 million, and
- Vietnam, down 12 per cent to $7 million.

Australia is generally well-placed in each of these markets. Australia is the top-ranked imported wine category in Malaysia, second in Singapore, Thailand and the Philippines, fourth in Vietnam, fifth in Taiwan, and sixth in Japan and South Korea.

Numerous factors contribute to the growth in Australian exports to Asia. Our geographic location helps – it's easy to travel to and from Asia. Australia has a high degree of inward investment from Asia and connections formed through education and migration to Australia, as well as the familiarity with Australia for the expatriates and those educated internationally. Australia has also benefited from a rise in consumption across Asia with nascent consumer awareness and interest in wine. We are well placed to benefit further from this as consumers across Asia start to change their drinking preferences should we continue to successfully engage with these emerging Asian markets.

Australian wine producers have also recently either gained an advantage over or secured a level playing field with some of our competitors in the Chinese, Korean, Japanese and Thai markets, where tariffs have either been eliminated or are reducing to zero over time under free trade agreements.

While exports to China, South Korea and Thailand have increased, the value of exports to Japan has fallen over the last 12 months. This is due to a decline in bulk wine and soft-pack exports. After an initial surge following the immediate removal of the tariff on bulk wine under the Japan–Australia Economic Partnership Agreement, bulk wine exports to Japan declined by 36 per cent to $2.6 million. Soft-pack exports declined 47 per cent to $2 million. On the other hand, the tariff on bottled exports will reduce to zero by 2022. The tariff reduction to date has provided a boost to bottled exports, which are up 10 per cent to $38 million. The growth has been particularly strong at the higher end, as some Australian wine importers have commented with optimism for further growths in the premium segment as the market prepares for the 2020 Olympic Games. Exports of wine in the $7.50–9.99 per litre FOB category increased by 25 per cent to $5 million and wines of $10 and above per litre FOB grew by 16 per cent to $8 million.

North America

United States

Total Australian wine exports are ranked second in the volume and third in the value of all wine exported to the United States (US). Italian wines are ranked first in volume and value and French wines are second in value.

Growth in Australian exports to the US continued in the 12 months ended September 2016, albeit at lower rate than the June moving annual total (MAT), with value increasing by 4 per cent to $448 million. Volume declined by 7 per cent to 153 million litres. The average value of wine exports grew by 12 per cent to $2.93 per litre, the highest average value since October 2009. This growth in average value was driven by bottled exports, which increased by 5 per cent to $393 million. The average value of bottled exports grew by 15 per cent to $3.96 per litre.

Commentary (continued)

The trend towards Australia's premium wines in the US continued with exports priced at $10 at above per litre FOB increasing by 21 per cent to $39 million. This reflects the improved perceptions of Australian wine among the US trade, with a growing number of importers taking on more premium Australian brands. Recent media coverage along with research commissioned by Wine Australia also shows more positive sentiment for the Australian wine category among the trade and consumers, but there is still much work to do in increasing the awareness and availability of premium Australian wine in the US. To continue sustainable growth in the world's biggest premium wine market requires a long-term approach and a focus on re-establish relationships and confidence in the category supported by significant, consistent investment to drive the Australian fine wine message.

Other segments that experienced growth were the $2.49 and under segment (up 5 per cent to $60 million), $2.50–4.99 (up 3 per cent to $309 million) and $5.00–7.49 (up 14 per cent to $23 million). The only price segment to decline was the $7.50–9.99 segment, with value down by 14 per cent to $17 million. This could reflect some movement of products between price segments.

Looking closer at the $10 and above segment:

- $10.00–19.99 increased by 42 per cent to $26 million
- $20.00–49.99 declined by 4 per cent to $11 million, and
- $50.00 and over decreased by 12 per cent to $3 million.

While the number of exporters to the US fell from 245 to 233, 149 of the exporters contributed to the growth in value. The biggest five exporters dominate exports to the US with an 84 per cent share of the total value.

Red wine accounted for 60 per cent of the value of exports to the US ahead of white wine with 39 per cent and other wines with 1 per cent. The growth rates for the two major categories were similar with red wines up 5 per cent and white wines up 4 per cent.

The top five red varieties exported to the US are:

- Shiraz with a 26 per cent share of red exports
- Cabernet Sauvignon – 21 per cent
- Merlot – 15 per cent
- Shiraz/Cabernet Sauvignon blends – 7 per cent, and
- Pinot Noir – 5 per cent.

Total Shiraz exports to the US declined by 6 per cent to $69 million but higher priced Shiraz at $10 and above per litre recorded strong growth, up 10 per cent to $18 million. There were mixed results for the other four red varieties:

- Cabernet Sauvignon increased by 4 per cent to $57 million, with the strongest rate of growth in wines at $10 and above per litre FOB
- Merlot up by 6 per cent to $39 million with most of the absolute growth at $2.50–4.99 per litre FOB
- Shiraz/Cabernet Sauvignon blends declined by 3 per cent to $19 million, with $10 and above per litre FOB the only segment to grow, and
- Pinot Noir grew by 8 per cent to $14 million, with the strongest growth rate coming at $7.50 and above per litre FOB.

Other red varieties in growth included Cabernet Sauvignon/Shiraz and Shiraz/Grenache blends.

Commentary (continued)

Chardonnay was the leading white variety exported to the US with a 37 per cent share. The other top white wine varieties were Pinot Grigio (12 per cent), Sauvignon Blanc (5 per cent), Riesling (4 per cent) and Pinot Gris (3 per cent). All but Chardonnay recorded value growth:

- Chardonnay down by 2 per cent to $65 million with a decline at $2.50–4.99 per litre FOB offsetting increases in all other price segments, including at $10 and above
- Pinot Grigio up by 21 per cent to $22 million driven by growth at $2.50-4.99 per litre FOB
- Sauvignon Blanc up by 32 per cent to $8 million, with growth centred in the range $2.50–7.49 per litre FOB
- Riesling up by 17 per cent to $7 million, with the strongest growth rate at above $7.50 per litre FOB, and
- Pinot Gris up by 8 per cent to $6 million, with solid growth across the price spectrum.

Other white wine varieties in growth off much smaller bases included Sauvignon Blanc/Semillon blends and Vermentino.

US state analysis

California is the leading destination for Australian wine exports entering the US with a 29 per cent value share, ahead of New York (13 per cent), Florida (10 per cent), Texas (6 per cent), Massachusetts (5 per cent), Pennsylvania (4 per cent) and Georgia (4 per cent). It should be noted that not all wine exported to a state will necessarily be consumed in that state.

There was value growth to all but California:

- California down by 0.3 per cent to $130 million
- New York up by 31 per cent to $60 million
- Florida up by 13 per cent to $44 million
- Texas up by 7 per cent to $28 million
- Massachusetts by 51 per cent to $23 million
- Pennsylvania by 73 per cent to $19 million, and
- Georgia by 64 per cent to $18 million.

Canada

Australia is the third largest source of imported wine in Canada behind the US and Italy.

In the past 12 months, Australian exports to Canada increased by 1 per cent in value to $190 million but declined by 3 per cent in volume to 63 million litres. The average value increased by 3 per cent to $3.13 per litre, continuing an upward trend that has been evident over the last 2 years.

The number of exporters sending wine to Canada fell from 239 to 229, and 139 exporters contributed to value growth.

There was slight growth in both bottled and bulk exports to Canada. Bottled exports increased by 0.7 per cent to $161 million and bulk exports increased by 0.8 per cent to $28 million. The average value of bottled exports grew by 5 per cent to $5.63 per litre FOB, continuing its steady growth over several years. The average value of bottled exports is now at its highest level since June 2009. The average value of bulk exports grew by 2 per cent to $0.87 per litre.

There was growth in most price points:

- $2.49 and under per litre FOB increased by 2 per cent to $28 million
- $5.00–7.49 per litre FOB increased by 7 per cent to $60 million
- $7.50–9.99 per litre FOB increased by 6 per cent to $25 million, and
- $10 and above per litre FOB increased by 9 per cent to $25 million.

In contrast, the $2.50–5.00 per litre FOB segment declined by 11 per cent to $53 million.

In the $10 and over per litre FOB segment, growth came at $10.00–14.99, up 12 per cent to $18 million, and $15.00–19.99, up 11 per cent to $3 million.

Commentary (continued)

Red wine accounted for 66 per cent of the value of exports to Canada, ahead of white wine with 32 per cent and other wines with 2 per cent. While red wine exports declined by 2 per cent to $125 million, white wine exports grew, up by 6 per cent to $60 million.

Shiraz is the dominant red variety with a 40 per cent share ahead of Cabernet Sauvignon (16 per cent) and Shiraz/Cabernet Sauvignon blends (10 per cent). Both Shiraz and Cabernet Sauvignon experienced growth:

• Shiraz up by 2 per cent to $50 million, with growth strongest in exports $7.50 and above per litre FOB

• Cabernet Sauvignon up by 6 per cent to $21 million, with the strongest growth in exports at $5.00–7.49 and $10 and above per litre FOB, and

• Shiraz/Cabernet Sauvignon blends were down by 19 per cent to $12 million, with a decline in exports below $5.00 offsetting growth in exports at $7.50 and above per litre FOB.

Other red wine varieties in growth included Shiraz/Grenache/Mourvedre, Cabernet Sauvignon/Shiraz and Grenache/Shiraz/Mourvedre blends.

There were mixed results for the major white wine varieties exported to Canada:

• Chardonnay down by 13 per cent to $15 million, with a decline in exports below $5.00 offsetting growth at $5.00–9.99 per litre FOB

• Riesling/Gewürztraminer up by 95 per cent to $4 million with the growth coming at $2.50–4.99 per litre FOB

• Pinot Gris up by 5 per cent to $4 million driven by growth at $5.00–9.99 per litre FOB

• Pinot Grigio down by 6 per cent to $3 million, with declines across most price points, and

• Sauvignon Blanc down by 0.3 per cent to $2 million with growth at $5.00–9.99 per litre FOB offset by declines at $2.50–4.99 per litre FOB.

Canada provincial analysis

The wine market in Canada is controlled by provincial liquor boards with two dominant provincial markets. Combined, Ontario and Quebec account for 65 per cent of Canada's wine market (30 and 35 per cent respectively). Canada's next biggest markets are British Columbia (16 per cent) and Alberta (10 per cent).

The four provinces also account for 92 per cent of Australia's exports to Canada. In the last 12 months, Australian exports declined to three of the four provinces:

• Ontario by 1 per cent to $72 million

• Quebec by 5 per cent to $37 million, and

• Alberta by 7 per cent to $17 million.

Exports to British Columbia increased by 13 per cent to $49 million. Off much smaller bases, there was also growth to Newfoundland and Prince Edward Island.

Europe

United Kingdom

Australia's number one market by volume, the United Kingdom (UK) receives a third of all wine exported from Australia and half of all wine shipped in bulk containers. Bulk shipments make up 83 per cent of Australian exports to the UK. A decade ago, the appreciating Australian dollar made packaging in-market more economical, however the dollar's recent reversal has somewhat reduced this economic advantage. However, with key bottling facilities now established in the UK as well as a post-Brexit vote appreciation of the AUD against the GBP, it is unlikely that the majority of packaging will return to Australia.

Commentary (continued)

In the past year, the total value of Australian exports to the UK declined by 3 per cent to $361 million and volume decreased by 4 per cent to 239 million litres. An 8 per cent increase in the value of bottled wine exports to $168 million was offset by a 10 per cent decline in bulk wine exports to $193 million.

A decline in exports in the lowest price segment more than offset growth in all other price segments:

• Under $2.50 per litre FOB declined by 11 per cent to $189 million

• $2.50–4.99 per litre FOB increased by 0.2 per cent to $105 million

• $5.00–7.49 per litre FOB increased by 38 per cent to $27 million

• $7.50–9.99 per litre FOB increased by 7 per cent to $12 million, and

• $10 and above per litre FOB increased by 20 per cent to $27 million.

Examining the market at $10 and above per litre FOB, the $10.00–19.99 segment grew by 38 per cent to $18 million, and moving to the upper end, wine at an average value of above $200 increased by 82 per cent to $2 million.

Red wine accounted for 60 per cent of the value of exports to the UK, ahead of white wine with 39 per cent and other wines with 1 per cent. Red and white wine exports each declined by 2 per cent; reds to $215 million and whites to $139 million.

Shiraz is the major red variety with an 18 per cent share, double the share of Cabernet Sauvignon (9 per cent). Rounding out the top five are Shiraz/Cabernet Sauvignon blends (4 per cent), Merlot (3 per cent) and Pinot Noir (1 per cent).

There was value growth for each of the five varieties, except for Pinot Noir, which declined by 2 per cent to $3 million:

• Shiraz increased by 23 per cent to $40 million, with growth across all price points but particularly strong at $5 and above per litre FOB

• Cabernet Sauvignon increased by 17 per cent to $19 million, with growth across all price points but also particularly strong at $5 and above per litre FOB

• Shiraz/Cabernet Sauvignon blends increased by 6 per cent to $9 million with growth in most price points, and

• Merlot increased by 40 per cent to $7 million with the growth coming at $2.50–9.99 per litre FOB.

Other red wine varieties in growth included Cabernet Sauvignon/Merlot, Grenache/Shiraz/Mourvedre blends, and Grenache.

Chardonnay is the dominant white variety exported to the UK with a 19 per cent share. The other varieties in the top five are Sauvignon Blanc (6 per cent), Riesling (3 per cent), Chardonnay/Semillon blends (3 per cent) and Pinot Gris (2 per cent). Again, there were mixed results for the top five white varieties:

• Chardonnay declined by 5 per cent to $27 million but there was growth in wines priced $5.00–7.49 per litre FOB

• Sauvignon Blanc fell by 21 per cent to $9 million but with growth in wines priced $5.00–7.49 and at $10 and above per litre FOB

• Riesling increased by 79 per cent to $4 million with growth across all price points

• Chardonnay/Semillon blends increased by 31 per cent to $4 million with the growth at the low end, and

• Pinot Gris declined by 19 per cent to $3 million with declines in most price points.

Commentary (continued)

Other white wine varieties in growth but off smaller bases included Pinot Grigio, Sauvignon Blanc/Chardonnay/Riesling, Semillon/Chardonnay and Vermentino.

Uncertainty remains in the UK in the wake of the vote to leave the EU (Brexit). Most shares dropped in value and the Great Britain pound (GBP) fell. However, shares have rallied in the last two months and are now trading well above pre-Brexit vote levels. With ongoing retail consolidation across most trade sectors, the range reduction in several of the retailers and the depreciation of the GBP against the Australian dollar (AUD) suggests a challenging time ahead for premium Australian wine in the UK.

At the time of writing, the GBP against the AUD is at the lowest level since late 2013 and is impacting profitability for key retailers. Australia's European competitors are suffering a similar drop in exchange rates, which puts their wines equally at a disadvantage.

However, the outlook is not all negative. There are more exporters coming back to this market after some years' absence or entering it for the first time. The number of exporters in the last 12 months increased from 319 to 342 and 215 recorded value growth in exports. Australia remains number one in the UK off-premise and is the only country in growth of the top five countries of origin.

Other European destinations

The UK is the biggest destination in Europe for Australian wine exports with a two-thirds value share. However, Australia also exported wine to another 29 European countries. There were mixed results across the most significant of these markets but the individual figures can be influenced by trans-shipments between markets, particularly in the Nordic markets:

- Germany, down 7 per cent to $47 million
- Netherlands, up 7 per cent to $30 million
- Sweden, up 28 per cent to $23 million
- Denmark, down 8 per cent to $23 million
- Finland, up 1 per cent to $15 million
- Ireland, up 23 per cent to $15 million
- Belgium, up 13 per cent to $13 million
- Switzerland, down 21 per cent to $7 million, and
- Norway, down 16 per cent to $6 million.

The Nordics focus

Australian wine exports to the Nordics (Sweden, Denmark, Finland and Norway) are on the rise, up 3 per cent to a combined $67 million.

Sweden

Sweden's wine market is small (5 million regular wine drinkers in a population of 9.8 million) and highly regulated (the state-controlled Systembolaget still dominates, despite encroachment from offshore retailers), while consumption appears to have reached a stable peak (total wine consumption has been more or less the same since 2010). The Swedes happily consume 24 million cases of wine a year, all of which is imported.

Systembolaget dominates sales, of which 55 per cent are bag-in-box and 20 per cent are organic. The monopoly aims to grow organic wines to 25 per cent over the next few years.

Commentary (continued)

Importers now offer a wide range of exclusive wines and some restaurateurs have their own importer businesses. It is common for restaurants to have their own sommeliers and these sommeliers have been remarkably successful in the international competitions.

The number of Australian exporters to Sweden increased from 57 to 71 in the last 12 months and 50 exporters contributed to value growth.

Australian wine ranks fifth in market share and the value of Australian wines exported to Sweden increased by 28 per cent to $23 million in the last 12 months. Exports of wines $10 and above per litre FOB grew by 83 per cent to $1.6 million. Shiraz and Chardonnay are the top varieties exported and both are growing. On a cautionary note, export data does not tell the full story, as much Australian wine is exported to the United Kingdom and elsewhere in Europe and later into Sweden.

Denmark

With a population of 5.6 million, the Danish market is small but incredibly energetic. The economy is robust and the wine market is in growth. Admittedly, some of this is due to the high level of promotion in the off-trade, which is dominated by the discounters. However, more encouragingly, the culinary scene has exploded and Noma (Copenhagen's two-Michelin-star restaurant) has influenced a whole generation of restauranteurs and sommeliers.

Underlying the increase in premium sales in the on-trade is the specialisation in natural wines. Now accounting for 0.6 per cent of the market, it may still be tiny, but natural is the big city phenomenon that everyone is talking about. The positive knock-on effect is that young people are now going out to drink wine whereas ten years ago it was considered an old man's drink.

Australian wine ranks fifth in market share and is in slight decline. Bulk accounts for 75 per cent of Australian exports, reflecting the appetite for bag-in-box formats, which is common across the northern countries of Europe in the supermarkets and discounters.

Export data for Denmark is not as positive as that for Sweden. In the last 12 months, the value of Australian exports to Denmark declined by 8 per cent to $23 million. Exports in the price range of $5.00–9.99 per litre FOB increased by 22 per cent to $7 million. Shiraz, Chardonnay, Shiraz/Cabernet Sauvignon blends and Cabernet Sauvignon are the top four wines exported but only Chardonnay recorded growth.

The number of Australian exporters to Denmark increased from 138 to 148 in the last 12 months and 86 exporters recorded value growth.

Finland

Finland has a population of 5.5 million and is a small market for wine. At home consumption is becoming more important, to the detriment of the on-trade, but interest in food and wine pairing and the growth of more casual dining are driving light wine sales. Italian wines dominate, particularly the bold ripasso styles, and Prosecco has also contributed to the overall increase in wine sales.

Finland is increasingly enthusiastic about the Australian category and consumers are keen to learn more about our wines. Wine Australia's goal is to grow market share in both the on-trade through engagement with importers and sommeliers and the off-trade via the monopoly Alko.

Alko has indicated an increasing interest in lower alcohol wines as consumers are becoming more health conscious. Organic wines are not a target here and Australia, in sixth position, is in growth.

Australian exports to Finland in the last 12 months increased by 1 per cent to $15 million. There has been a shift from lower priced and bulk wines to premium bottled brands. The value of bulk shipments fell by 12 per cent to $5 million, while the value of bottled wine increased by 9 per cent to $10 million. Exports at $7.50–9.99 per litre FOB increased by 61 per cent to $2 million, while exports at $10 and above per litre FOB increased by 19 per cent to $1.5 million.

Commentary (continued)

The number of Australian exporters to Finland decreased from 38 to 32 in the last 12 months and 18 exporters contributed to value growth.

Norway

Norway has a population of 5.2 million and a small wine market. Wine sales in Norway are diluted by cross-border shopping with Sweden and other Baltic markets. It is estimated that the monopoly, Vinmonopolet, has lost 30 per cent of sales to other countries easily accessed by ferries and road connections. Italian wines dominate the market, with Australian wines in sixth place.

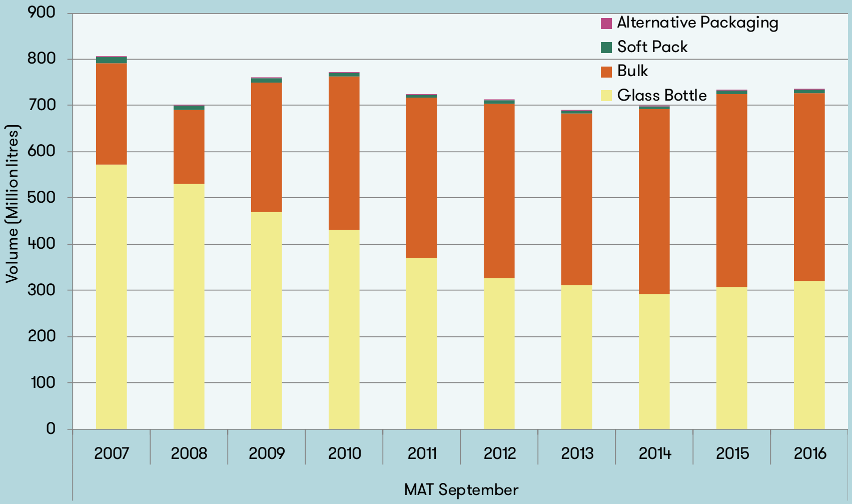
In the on-trade, the natural wine movement does not seem to have resonated in Norway, although there is a lot of interest in organic and biodynamic wines. Only 10 per cent of the total wine sales are through the on-trade and the main volume and trends are driven through Vinmonopolet. Current trends include growth in the Prosecco and rosé sectors. Norwegians are great travellers and this is reflected in the growth of wines from countries with good air links with Norway, such as the US. However, there is a distinct bias towards old world country origins. The 3-litre bag-in-box remains a key format through the monopoly with over 50 per cent of their sales.

Australian exports to Norway declined by 16 per cent to $6 million. However, there was strong growth at the higher end of the market, with exports at $7.50 and above per litre FOB growing by 36 per cent to $1.5 million.

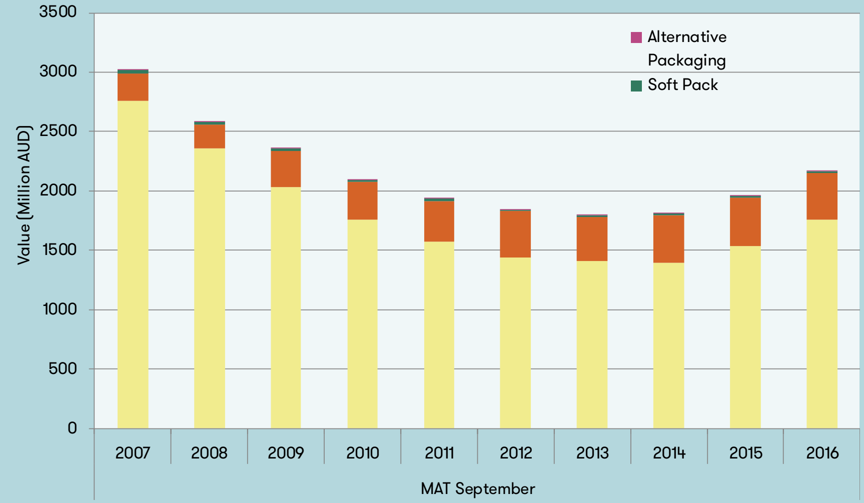
The number of Australian exporters to Norway fell by 1 to 26 and 19 exporters recorded to value growth.

Historic Overview

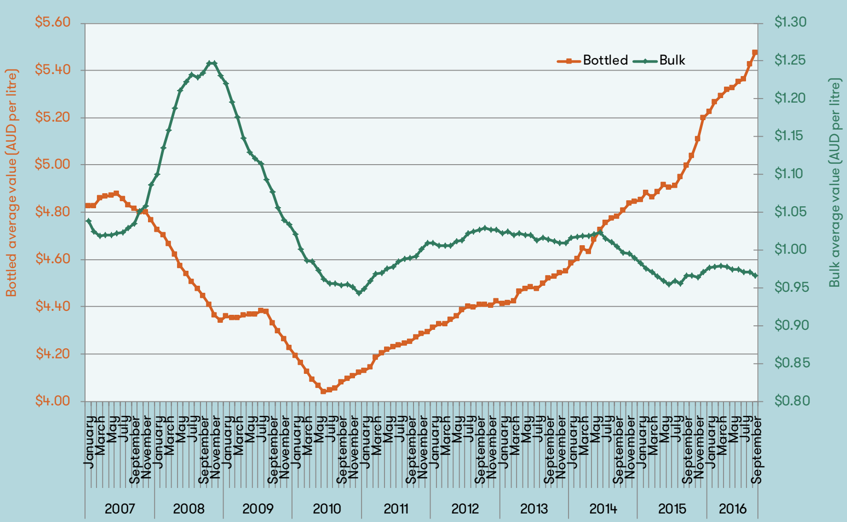
Volume by container type



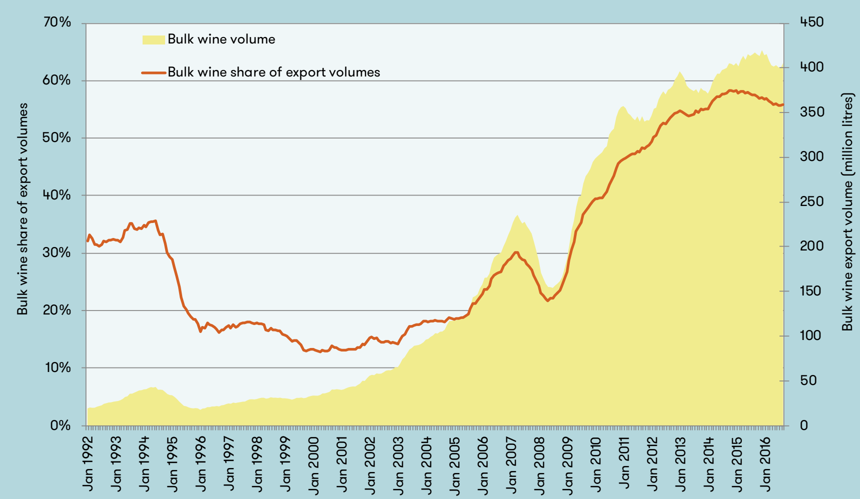
Value by container type



Average value by container type



Bulk wine

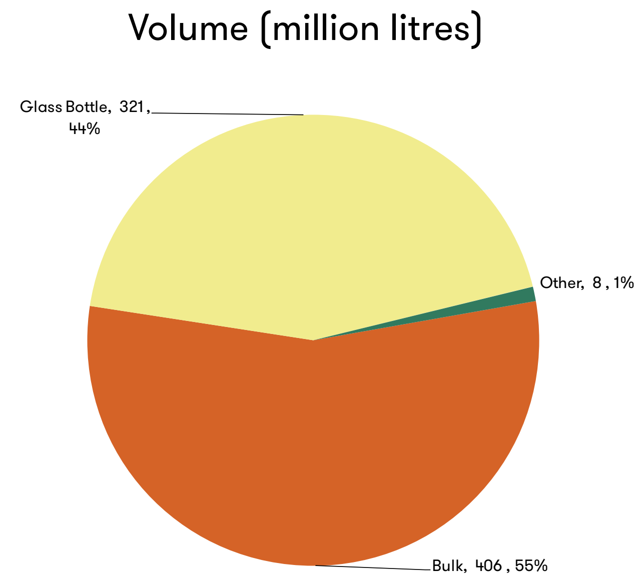


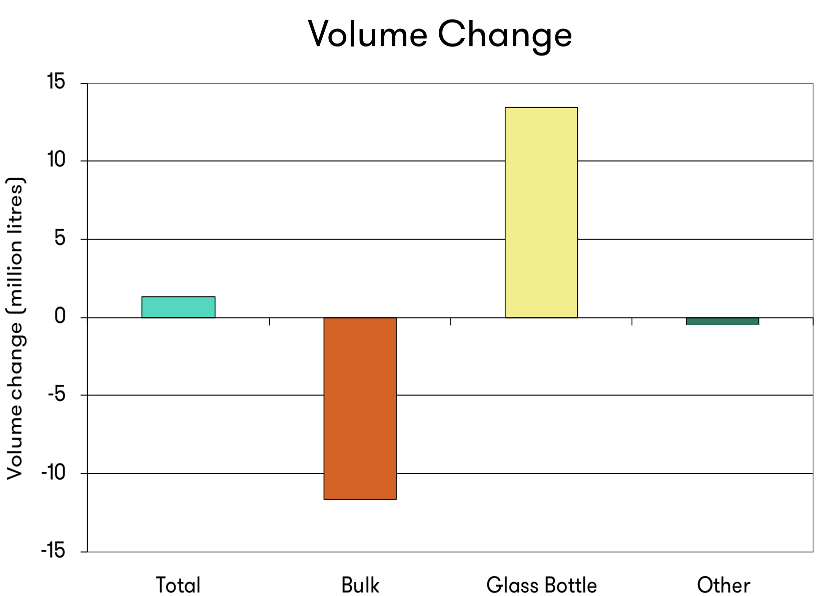
Exports by container type

MAT September 2016

		Volume (ML)	Value (A$M FOB)	Average Value (A$/L FOB)
Bottled	2016	321	1,758	5.47
	Change	4%	14%	9%
	Share	44%	81%	
Bulk	2016	406	392	0.97
	Change	-3%	-3%	0%
	Share	55%	18%	
Other	2016	8	17	2.19
	Change	-5%	-15%	-10%
	Share	1%	1%	
Total	2016	734	2,167	2.95
	Change	0.2%	10.5%	10%
	Share	100%	100%	

"Other" includes wine in soft-packs and alternative packaging





Wine exports by country, container and colour

Value for MAT September 2016

	Glass Bottle Red		Bulk Red Wine		Other Red Wine		Glass Bottle White		Bulk White Wine		Other White Wine		Sparkling Wine		Other Wine		Total Wine	
	MAT September 2016 ('000s AUD)	Change %	MAT September 2016 ('000s AUD)	Change %	MAT September 2016 ('000s AUD)	Change %	MAT September 2016 ('000s AUD)	Change %	MAT September 2016 ('000s AUD)	Change %	MAT September 2016 ('000s AUD)	Change %	MAT September 2016 ('000s AUD)	Change %	MAT September 2016 ('000s AUD)	Change %	MAT September 2016 ('000s AUD)	Change %
China, Pr	417,684	50%	21,738	218%	1,272	5%	18,777	25%	4,333	91%	86	-23%	5,795	5%	4,404	70%	474,088	51%
United States Of America	247,121	3%	20,164	44%	5	na	140,090	11%	34,121	-15%	8	na	4,348	14%	1,669	-52%	447,526	4%
United Kingdom	99,686	12%	115,684	-12%	9	na	62,271	6%	76,643	-7%	101	-33%	4,966	-29%	1,333	-4%	360,693	-3%
Canada	112,142	-1%	12,292	-11%	584	-24%	44,248	4%	15,462	13%	741	19%	3,461	5%	1,469	5%	190,399	1%
Hong Kong	115,466	7%	48	na	1,087	-14%	6,823	-2%	0	na	281	-34%	1,026	2%	885	100%	125,615	7%
New Zealand	46,349	-2%	5,563	-5%	820	-4%	8,062	21%	7,619	55%	500	-35%	4,977	-17%	2,156	23%	76,045	3%
Singapore	48,864	15%	0	-100%	429	43%	6,183	-14%	0	na	150	27%	6,036	-7%	763	-1%	62,424	9%
Malaysia	51,341	24%	0	-100%	319	173%	2,809	17%	0	na	30	108%	154	-17%	268	143%	54,922	24%
Germany, Federal Republic	19,438	-7%	12,034	-9%	0	na	2,712	-16%	12,762	-3%	0	na	130	48%	20	-28%	47,097	-7%
Japan	19,940	5%	1,466	-40%	1,877	-48%	11,576	12%	1,115	-24%	657	-53%	4,516	20%	3,555	24%	44,702	0%
Netherlands	13,657	11%	3,382	8%	0	na	8,402	-10%	3,036	22%	0	na	888	1%	789	1550%	30,153	7%
Sweden	12,077	8%	3,100	95%	0	na	6,366	45%	531	223%	0	na	1,023	44%	42	125%	23,138	28%
Denmark	10,148	-18%	5,232	-7%	0	na	4,223	8%	2,243	6%	0	na	882	13%	277	36%	23,004	-8%
Taiwan Province	16,955	27%	0	na	243	15%	1,031	-14%	0	-100%	97	52%	334	29%	162	-33%	18,822	23%
United Arab Emirates	10,479	28%	1,213	na	521	-13%	4,145	-5%	0	na	350	0%	1,267	4%	364	1%	18,339	21%
Thailand	9,827	-7%	469	17%	695	-19%	2,735	4%	111	72%	231	-49%	1,046	2%	133	-41%	15,247	-6%
Finland	5,941	3%	2,393	-21%	0	na	2,452	23%	2,794	-1%	0	na	1,115	22%	367	-4%	15,061	1%
Ireland	8,439	25%	31	0%	0	na	6,299	30%	0	-100%	0	na	71	-77%	72	-61%	14,912	23%
Korea, R	10,513	39%	0	na	573	119%	2,489	67%	0	na	29	-23%	308	153%	91	-74%	14,003	42%
Belgium	4,076	40%	3,054	4%	0	na	2,660	47%	2,903	-3%	0	na	552	-47%	99	5%	13,345	13%
Rest of the world	52,331	2%	14,490	-19%	1,822	-3%	17,175	-2%	5,209	-49%	1,231	1%	3,498	-5%	1,783	41%	97,538	-7%
World	1,332,473	17%	222,352	0%	10,256	-14%	361,528	8%	168,881	-6%	4,493	-22%	46,392	-3%	20,698	14%	2,167,073	10%

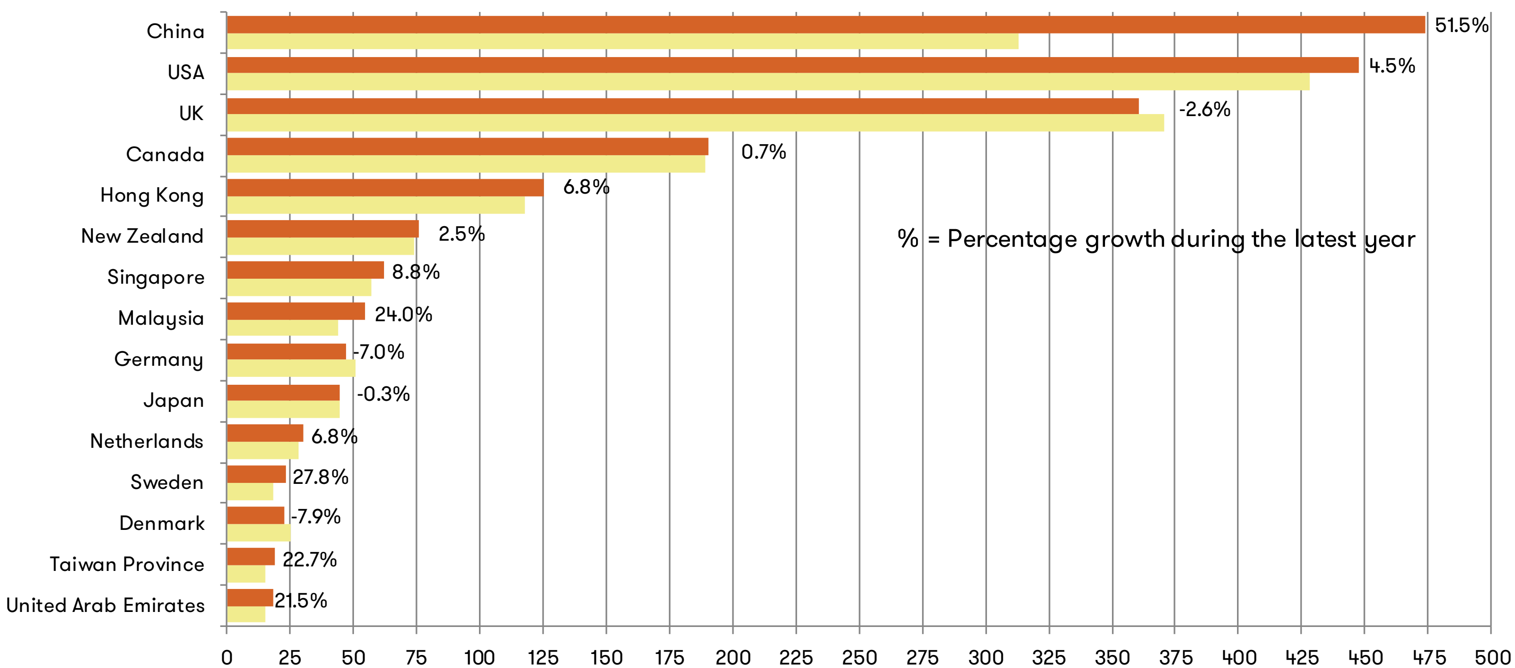
Wine exports by country, container and colour

Volume for MAT September 2016

	Glass Bottle Red Wine		Bulk Red Wine		Other Red Wine		Glass Bottle White Wine		Bulk White Wine		Other White Wine		Sparkling Wine		Other Wine		Total Wine	
	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %
United Kingdom	21,374	10%	110,883	-7%	1	na	16,717	4%	88,425	-5%	28	-35%	1,167	-31%	303	-11%	238,899	-4%
United States Of America	59,330	-10%	14,616	42%	1	na	38,941	-5%	38,980	-14%	3	na	744	-10%	253	-60%	152,869	-7%
China, Pr	62,938	40%	17,122	170%	537	-1%	3,082	16%	4,629	51%	42	-13%	1,040	-11%	705	55%	90,094	52%
Canada	17,950	-7%	13,769	-11%	162	-25%	9,814	1%	18,069	7%	251	27%	620	5%	267	4%	60,904	-3%
Germany, Federal Republic	5,095	-3%	13,359	-7%	0	na	1,197	-3%	16,788	-6%	0	na	11	21%	1	-28%	36,452	-6%
New Zealand	8,890	-1%	5,776	1%	414	-2%	2,195	23%	10,350	47%	272	-30%	1,124	-11%	544	18%	29,564	13%
Netherlands	3,727	9%	3,765	11%	0	na	2,571	-14%	3,800	15%	0	na	229	9%	231	5042%	14,323	8%
Denmark	1,756	-14%	5,834	5%	0	na	1,005	6%	3,064	9%	0	na	175	11%	45	180%	11,880	3%
Japan	3,517	-1%	1,327	-41%	1,107	-24%	2,296	6%	1,160	-20%	440	-23%	814	0%	762	30%	11,423	-11%
Italy	89	-55%	8,477	-24%	0	na	52	-28%	2,457	-49%	0	na	0	-100%	0	na	11,075	-32%
Hong Kong	7,470	9%	48	na	439	-11%	986	-1%	0	na	126	13%	128	3%	89	24%	9,285	8%
Belgium	686	27%	3,105	10%	0	na	667	83%	3,568	-4%	0	na	95	-45%	12	-11%	8,133	7%
Finland	971	-3%	1,881	-19%	0	na	513	32%	2,938	-6%	0	na	200	1%	80	6%	6,583	-7%
Sweden	2,384	-4%	1,945	50%	0	na	1,553	34%	408	143%	0	na	211	43%	5	606%	6,505	24%
Singapore	3,287	-1%	0	-100%	234	41%	811	-13%	0	na	68	16%	571	-12%	76	-1%	5,048	-3%
Malaysia	3,859	16%	0	-100%	197	170%	501	7%	0	na	18	111%	18	8%	42	105%	4,636	18%
France	164	-24%	2,181	-17%	0	na	73	-32%	1,872	51%	0	na	0	-80%	0	900%	4,290	2%
Ireland	2,155	28%	26	0%	0	na	1,845	30%	0	-100%	0	na	19	-76%	20	-59%	4,065	23%
United Arab Emirates	1,280	-11%	192	na	337	-6%	831	-4%	0	na	244	8%	256	-3%	109	-3%	3,249	0%
Thailand	1,381	-11%	407	21%	400	-25%	601	2%	120	67%	131	-46%	132	0%	34	-31%	3,207	-8%
Rest of the world	11,055	9%	2,712	47%	1,200	23%	4,166	1%	1,080	-86%	642	9%	679	3%	410	10%	21,945	-17%
World	219,358	7%	207,427	1%	5,030	-4%	90,419	0%	197,707	-7%	2,267	-9%	8,233	-10%	3,989	11%	734,430	0%

Exports by top 15 destinations

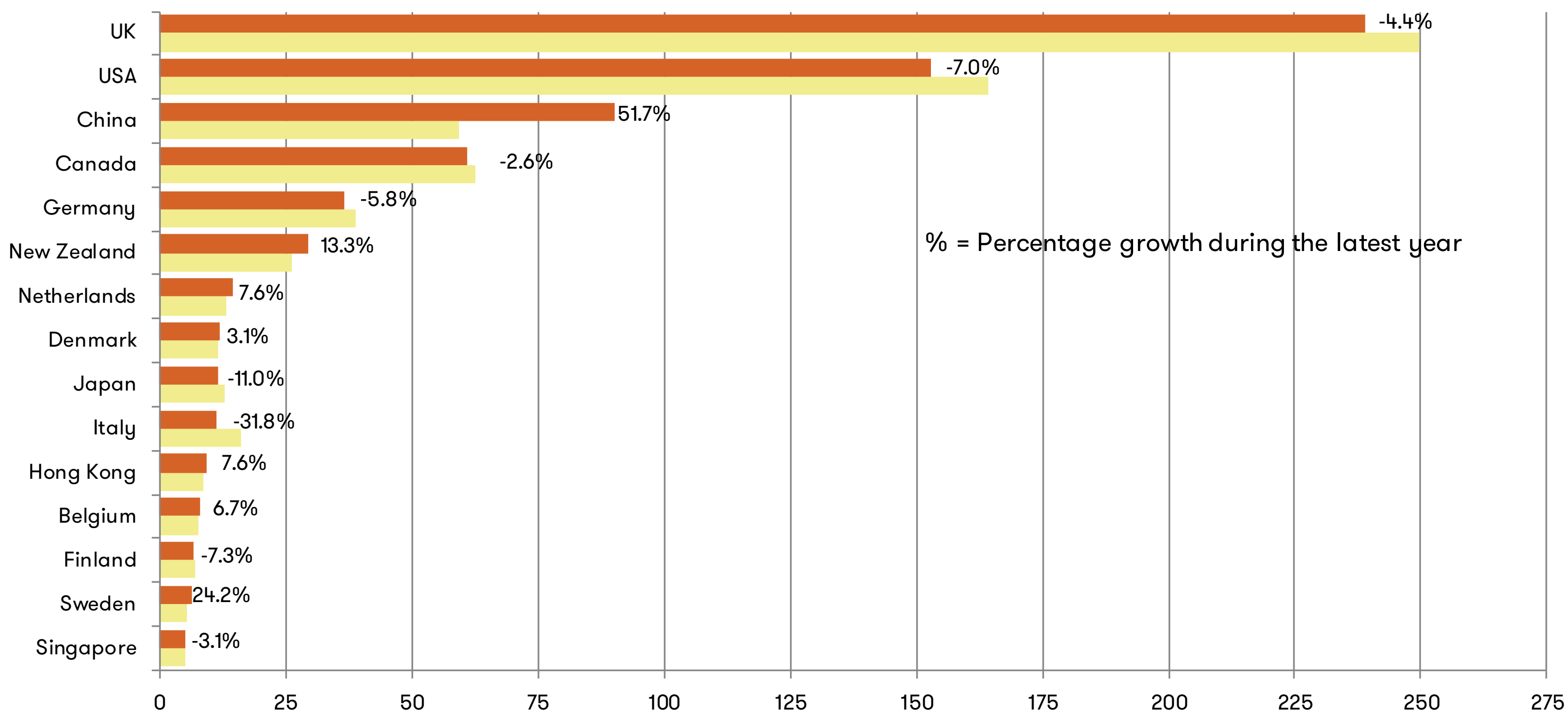
Value (million AUD) for MAT September 2016



	United Arab Emirates	Taiwan Province	Denmark	Sweden	Netherlands	Japan	Germany	Malaysia	Singapore	New Zealand	Hong Kong	Canada	UK	USA	China
2016	18.3	18.8	23.0	23.1	30.2	44.7	47.1	54.9	62.4	76.0	125.6	190.4	360.7	447.5	474.1
2015	15.1	15.3	25.0	18.1	28.2	44.8	50.7	44.3	57.4	74.2	117.6	189.1	370.4	428.4	312.9

Exports by top 15 destinations

Volume (million litres) for MAT September 2016

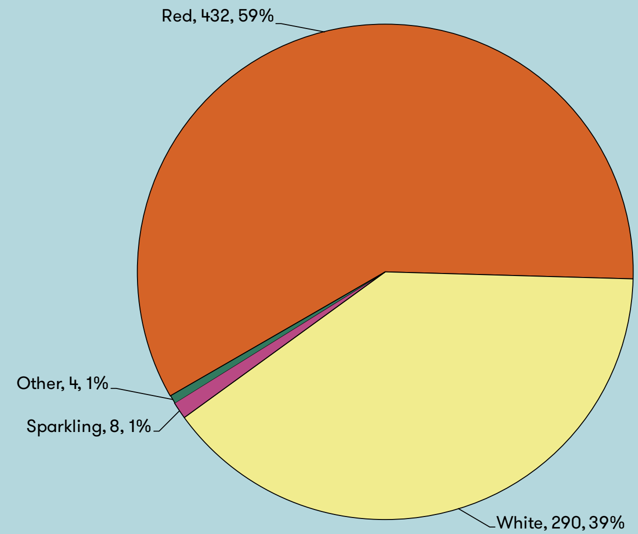


	Singapore	Sweden	Finland	Belgium	Hong Kong	Italy	Japan	Denmark	Netherlands	New Zealand	Germany	Canada	China	USA	UK
2016	5.0	6.5	6.6	8.1	9.3	11.1	11.4	11.9	14.3	29.6	36.5	60.9	90.1	152.9	238.9
2015	5.2	5.2	7.1	7.6	8.6	16.2	12.8	11.5	13.3	26.1	38.7	62.6	59.4	164.3	249.8

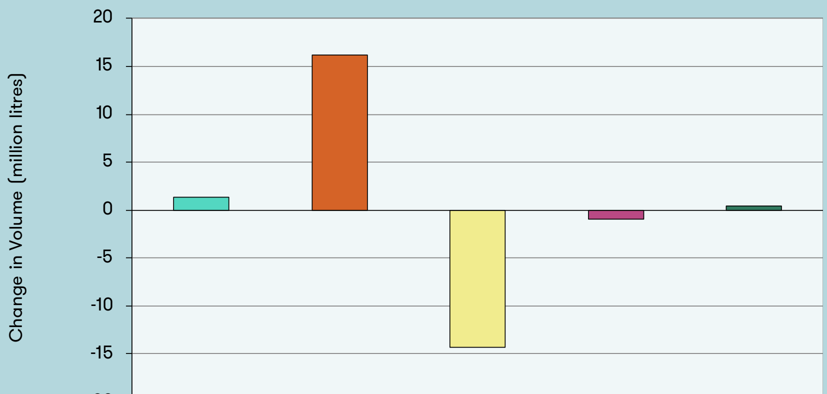
Exports by colour/ wine style

MAT September 2016

Volume (million litres)



Change in Volume



	Total exports	Red	White	Sparkling	Other
% change	0%	3.9%	-4.7%	-10.4%	11%
Vol change	1.3	16.2	-14.3	-1.0	0.4

Bottled wine exports report

Contents

Bottled exports by price point and destination

Value ('000 AUD) for MAT September 2016

	$2.49 and under		$2.50 to $4.99		$5.00 to $7.49		$7.50 to $9.99		$10.00 to $19.99		$20.00 to $49.99		$50.00 and above		Total	
	MAT September 2016 ('000 AUD)	Change %	MAT September 2016 ('000 AUD)	Change %	MAT September 2016 ('000 AUD)	Change %	MAT September 2016 ('000 AUD)	Change %	MAT September 2016 ('000 AUD)	Change %	MAT September 2016 ('000 AUD)	Change %	MAT September 2016 ('000 AUD)	Change %	MAT September 2016 ('000 AUD)	Change %
USA	9,620	48%	304,763	3%	22,883	13%	16,728	-11%	25,641	42%	10,631	-4%	2,879	-12%	393,145	5%
China	7,301	-16%	136,098	39%	75,750	46%	37,572	36%	73,683	30%	59,948	109%	56,259	82%	446,611	48%
UK	8,295	69%	93,614	-4%	26,474	38%	12,231	7%	18,459	41%	5,893	-15%	3,057	17%	168,022	8%
Canada	308	106%	51,350	-11%	59,609	7%	24,699	6%	20,804	11%	2,653	-15%	1,896	30%	161,319	1%
New Zealand	140	74%	28,532	3%	18,515	-10%	6,259	-9%	6,220	16%	1,329	57%	387	67%	61,382	0%
Hong Kong	89	50%	9,241	2%	13,813	17%	7,896	-6%	20,346	10%	17,289	22%	55,494	3%	124,169	7%
Japan	372	-7%	18,905	7%	5,342	3%	5,016	26%	5,556	23%	2,176	30%	578	-37%	37,947	10%
Netherlands	106	-85%	18,347	9%	3,679	16%	505	-35%	806	20%	208	-36%	50	-59%	23,699	5%
Germany	5,489	-24%	9,923	37%	1,957	-50%	1,745	-46%	2,019	13%	776	7%	393	121%	22,301	-8%
Singapore	248	1004%	5,019	-14%	4,711	11%	4,277	-51%	20,194	12%	7,455	18%	19,925	46%	61,829	9%
Malaysia	60	27%	4,225	5%	6,868	56%	2,682	2%	19,863	6%	5,234	69%	15,635	40%	54,567	24%
Sweden	535	58%	9,758	7%	4,678	37%	2,948	13%	1,103	89%	375	47%	110	251%	19,507	19%
Ireland	1,440	40%	10,301	28%	2,050	81%	622	-45%	374	-29%	81	-61%	14	97%	14,880	23%
Denmark	245	85%	4,907	-23%	4,359	32%	2,688	16%	2,189	-38%	967	-16%	174	-59%	15,529	-10%
United Arab Emirates	104	268%	5,782	-12%	1,607	-44%	1,909	120%	2,523	35%	2,646	125%	1,583	147%	16,152	15%
Thailand	296	19%	4,727	-13%	1,315	-8%	1,778	26%	3,402	-7%	664	44%	1,559	-16%	13,741	-5%
Taiwan Province	60	-30%	4,762	21%	1,429	-9%	838	3%	2,323	-10%	2,387	40%	6,670	54%	18,469	23%
Korea, R	564	42%	2,103	-21%	3,477	146%	1,080	49%	3,612	83%	1,654	33%	902	-17%	13,392	41%
Finland	16	749%	3,822	8%	2,206	-21%	2,339	61%	1,306	17%	129	16%	55	72%	9,874	9%
Philippines	24	185%	4,475	-5%	916	26%	358	32%	689	40%	215	60%	117	46%	6,795	6%
Other	1,241	-5%	27,927	8%	11,417	1%	8,744	-10%	14,492	7%	4,893	-2%	6,263	-1%	74,978	3%
Total	36,554	13%	758,582	6%	273,056	19%	142,915	4%	245,604	20%	127,602	44%	173,998	30%	1,758,311	14%

Bottled exports by price point and destination

Volume ('000 litres) for MAT September 2016

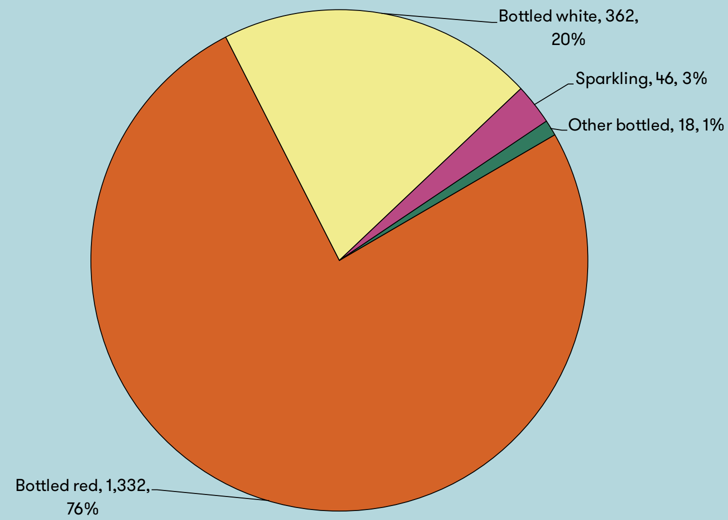
	$2.49 and under		$2.50 to $4.99		$5.00 to $7.49		$7.50 to $9.99		$10.00 to $19.99		$20.00 to $49.99		$50.00 and above		Total	
	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %
USA	4,056	22%	86,953	-11%	3,910	16%	1,932	-12%	1,972	50%	395	-3%	38	-1%	99,255	-8%
China	3,429	-15%	38,487	41%	12,895	45%	4,433	36%	5,548	32%	2,209	111%	749	67%	67,751	38%
UK	3,619	74%	28,266	-5%	4,453	39%	1,405	7%	1,456	43%	209	-19%	16	-31%	39,423	5%
Canada	137	75%	13,792	-13%	9,996	5%	2,901	7%	1,711	11%	96	-15%	20	3%	28,652	-4%
New Zealand	102	86%	8,124	6%	3,114	-10%	704	-12%	489	21%	47	59%	4	39%	12,583	2%
Hong Kong	64	97%	2,471	4%	2,361	17%	897	-9%	1,588	13%	603	18%	680	1%	8,663	8%
Japan	171	-5%	4,994	3%	908	6%	584	28%	415	24%	75	21%	6	-41%	7,154	6%
Netherlands	47	-85%	5,948	6%	604	12%	58	-38%	65	26%	7	-39%	1	-65%	6,731	2%
Germany	3,196	-8%	2,393	30%	319	-52%	206	-42%	162	15%	26	12%	3	140%	6,305	-3%
Singapore	120	1034%	1,302	-15%	747	7%	484	-49%	1,511	12%	268	27%	308	55%	4,741	-4%
Malaysia	27	31%	1,154	8%	1,189	47%	310	0%	1,317	-3%	183	68%	238	47%	4,419	15%
Sweden	224	50%	2,709	0%	780	40%	336	12%	90	90%	13	46%	1	95%	4,153	10%
Ireland	611	31%	2,984	24%	339	78%	70	-49%	32	-18%	3	-61%	0	117%	4,039	25%
Denmark	103	50%	1,628	-17%	734	36%	314	14%	167	-38%	33	-18%	2	-49%	2,982	-6%
United Arab Emirates	52	334%	1,597	-15%	269	-38%	234	130%	184	29%	86	110%	16	137%	2,437	-7%
Thailand	132	26%	1,280	-13%	206	-7%	203	25%	276	-10%	26	58%	26	-8%	2,149	-7%
Taiwan Province	28	-42%	1,173	15%	249	-8%	98	1%	177	-5%	83	51%	83	37%	1,891	9%
Korea, R	232	42%	539	-23%	606	159%	128	48%	276	87%	51	28%	8	6%	1,839	34%
Finland	7	431%	1,012	7%	364	-19%	268	60%	107	9%	5	16%	1	136%	1,764	6%
Philippines	11	223%	1,232	-1%	156	25%	42	32%	53	38%	8	89%	2	120%	1,504	4%
Other	582	-1%	7,866	5%	1,950	3%	1,013	-9%	1,135	5%	165	-3%	86	0%	12,796	3%
Total	16,947	12%	215,901	-1%	46,149	19%	16,620	4%	18,732	21%	4,592	45%	2,289	29%	321,230	4%

Bottled exports by colour/ wine style

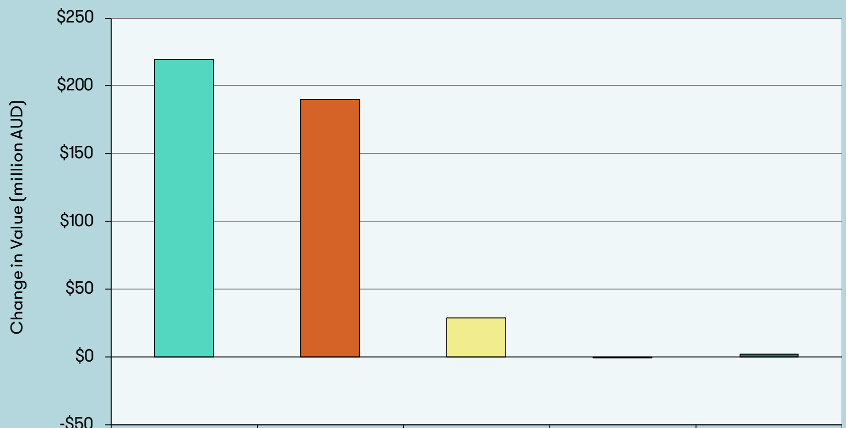
Value

MAT September 2016

Value (million AUD)



Change in Value

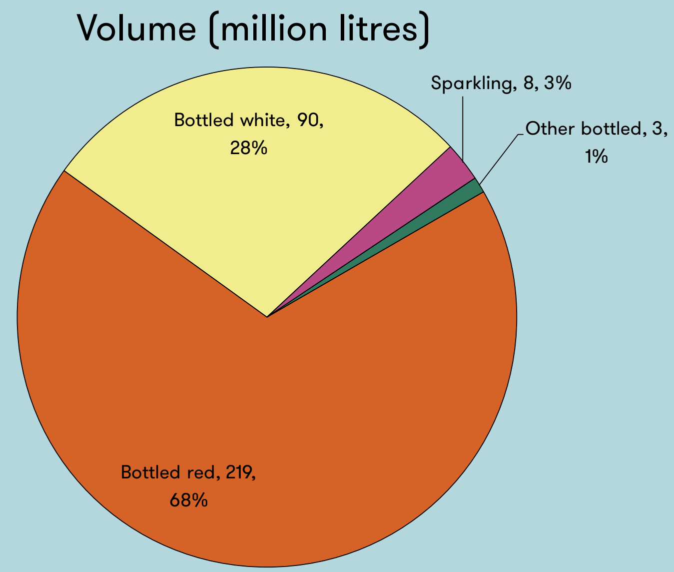


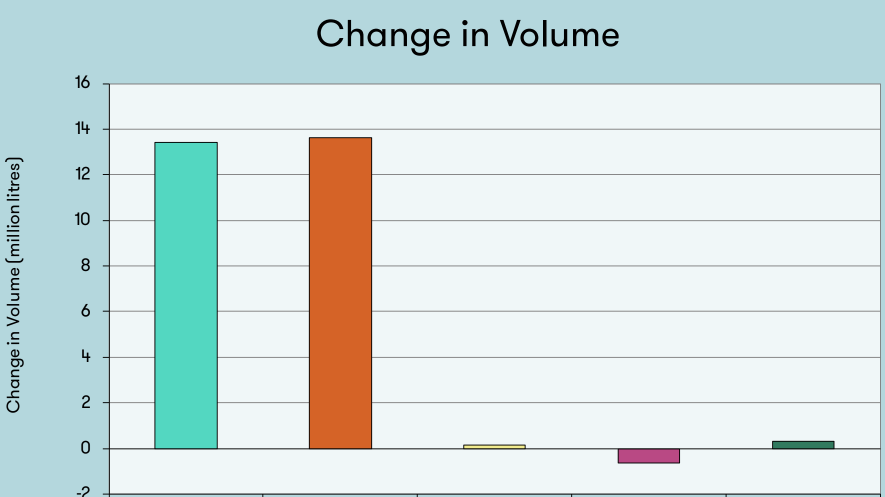
	Total bottled	Bottled red	Bottled white	Sparkling	Other bottled
% change	14.3%	16.6%	8.5%	-2.4%	13.7%
Vol change	219.4	190.0	28.3	-1.1	2.2

Bottled exports by colour/ wine style

Volume

MAT September 2016





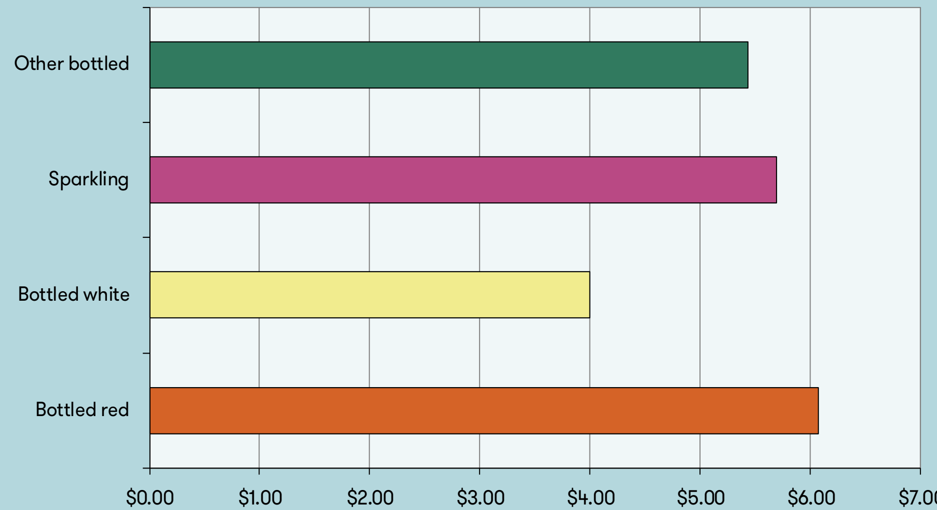
	Total bottled	Bottled red	Bottled white	Sparkling	Other bottled
% change	4.4%	6.6%	0.2%	-7.4%	10.9%
Vol change	13.4	13.6	0.1	-0.6	0.3

Bottled exports by colour/ wine style

Average value

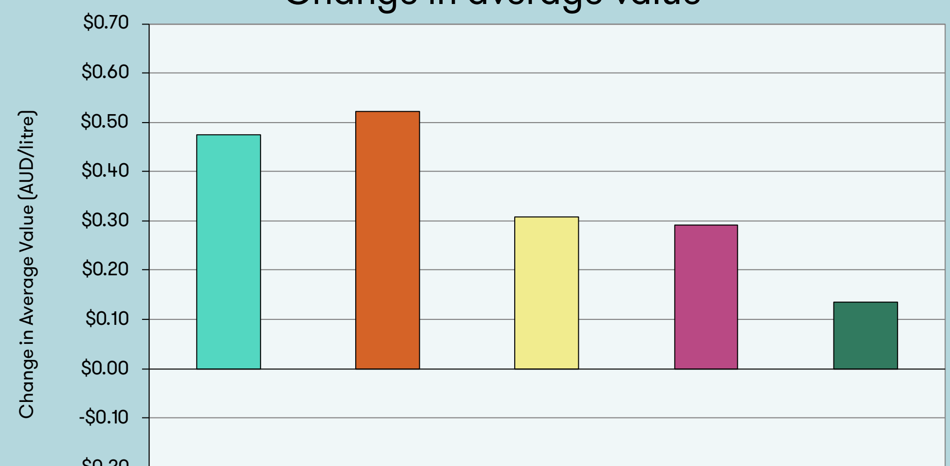
MAT September 2016

Average value (AUD per litre)



	Bottled red	Bottled white	Sparkling	Other bottled
2016	$6.07	$4.00	$5.69	$5.43

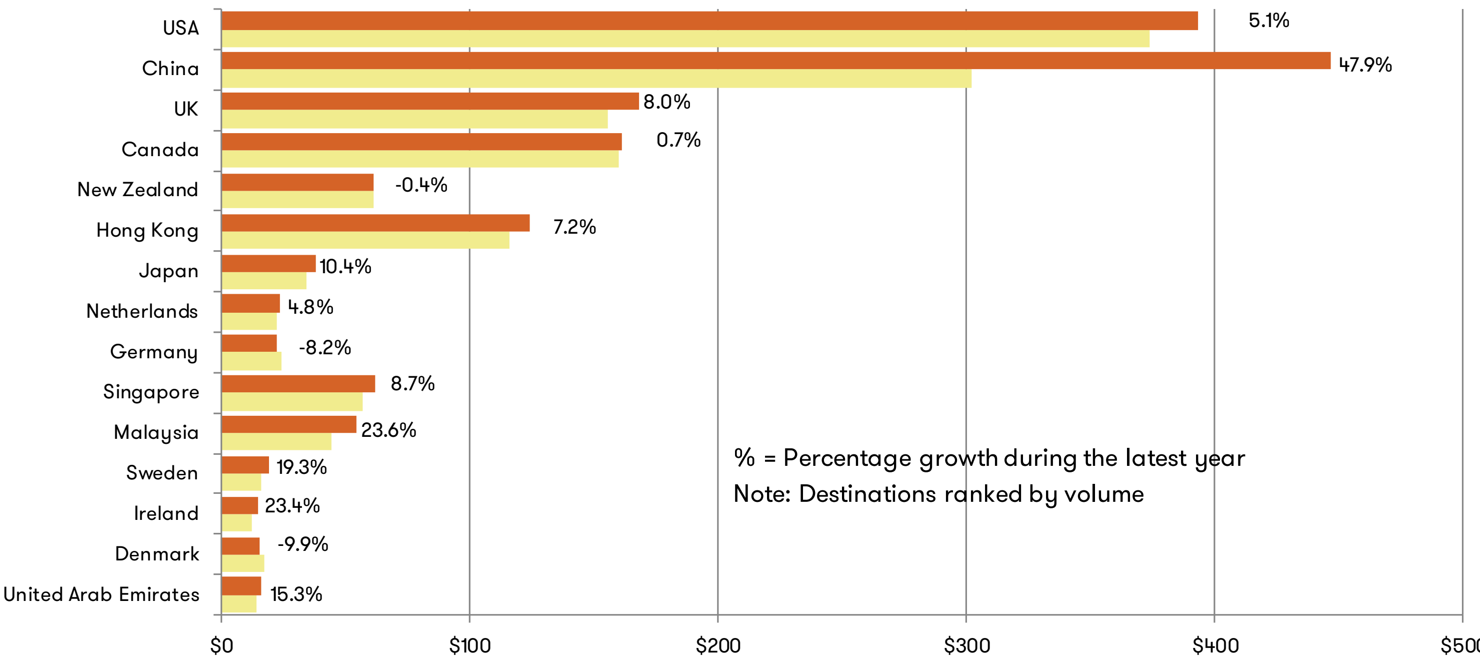
Change in average value



	Total bottled	Bottled red	Bottled white	Sparkling	Other bottled
% change	9.5%	9.4%	8.3%	5.4%	2.5%
Av. Val change	$0.47	$0.52	$0.31	$0.29	$0.13

Bottled exports by top 15 destinations

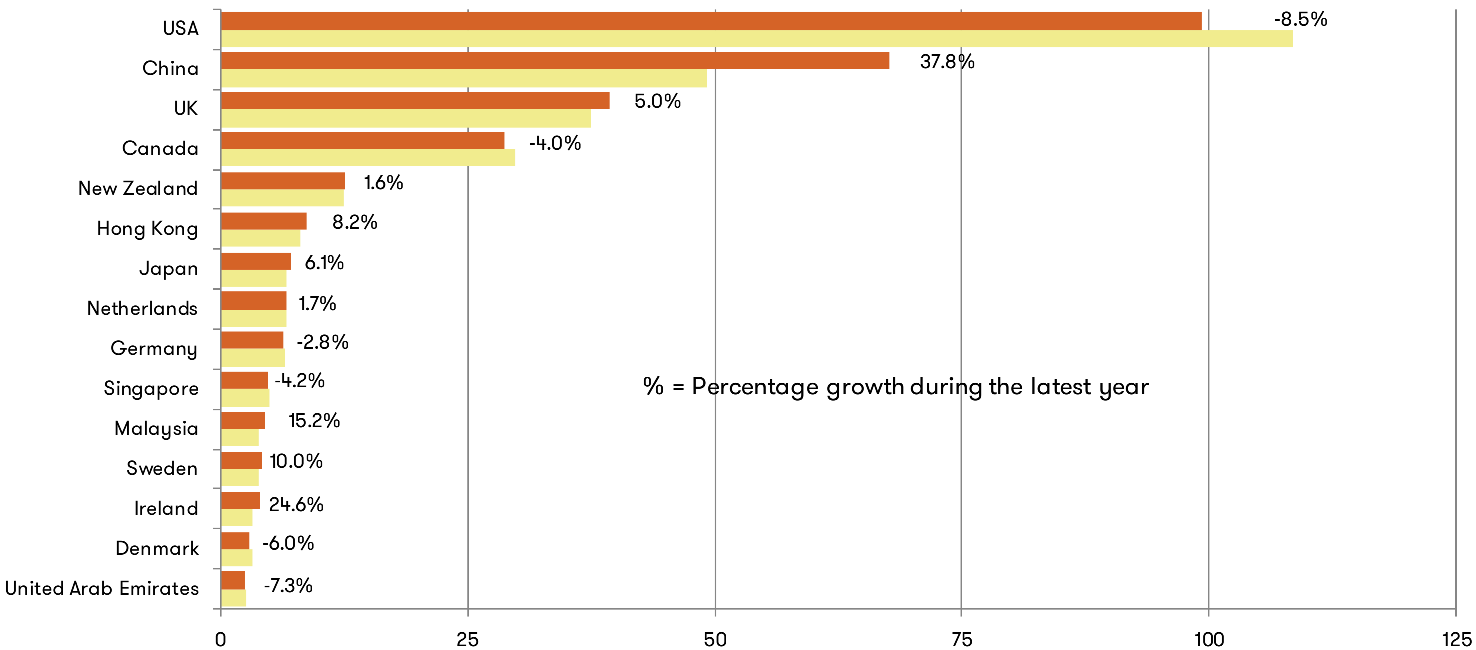
Value (million AUD) for MAT September 2016



	United Arab Emirates	Denmark	Ireland	Sweden	Malaysia	Singapore	Germany	Netherlands	Japan	Hong Kong	New Zealand	Canada	UK	China	USA
2016	16.2	15.5	14.9	19.5	54.6	61.8	22.3	23.7	37.9	124.2	61.4	161.3	168.0	446.6	393.1
2015	14.0	17.2	12.1	16.4	44.1	56.9	24.3	22.6	34.4	115.9	61.7	160.2	155.6	302.0	374.1

Bottled exports by top 15 destinations

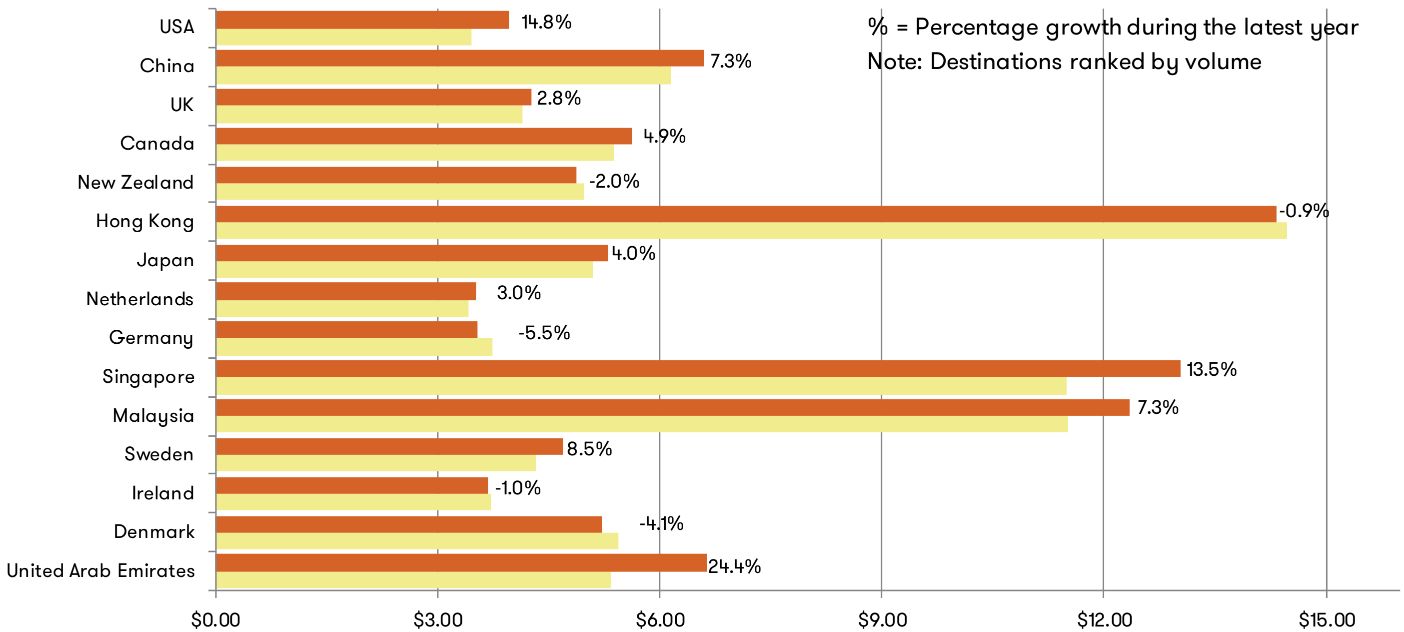
Volume (million litres) for MAT September 2016



	United Arab Emirates	Denmark	Ireland	Sweden	Malaysia	Singapore	Germany	Netherlands	Japan	Hong Kong	New Zealand	Canada	UK	China	USA
2016	2.4	3.0	4.0	4.2	4.4	4.7	6.3	6.7	7.2	8.7	12.6	28.7	39.4	67.8	99.3
2015	2.6	3.2	3.2	3.8	3.8	4.9	6.5	6.6	6.7	8.0	12.4	29.8	37.5	49.2	108.5

Bottled exports by top 15 destinations

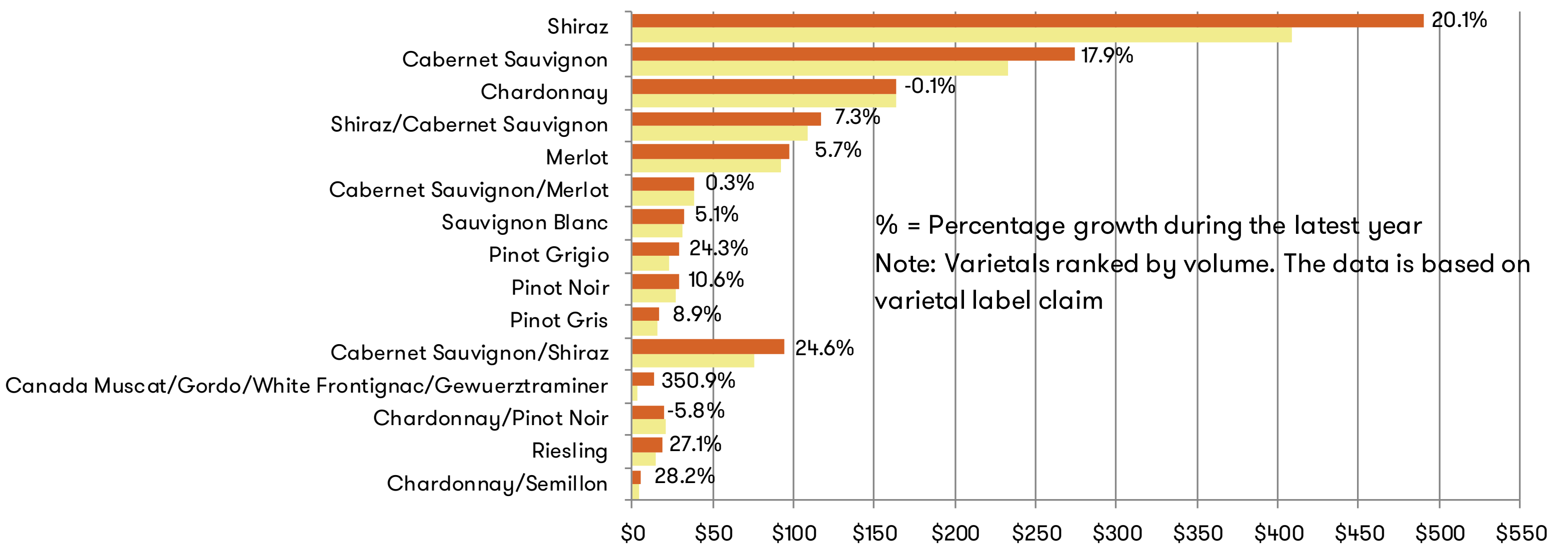
Average Value (AUD per litre) for MAT September 2016



	United Arab Emirates	Denmark	Ireland	Sweden	Malaysia	Singapore	Germany	Netherlands	Japan	Hong Kong	New Zealand	Canada	UK	China	USA
2016	$6.63	$5.21	$3.68	$4.70	$12.35	$13.04	$3.54	$3.52	$5.30	$14.33	$4.88	$5.63	$4.26	$6.59	$3.96
2015	$5.33	$5.43	$3.72	$4.33	$11.51	$11.49	$3.74	$3.42	$5.10	$14.47	$4.98	$5.37	$4.15	$6.14	$3.45

Bottled exports by top 15 varietals

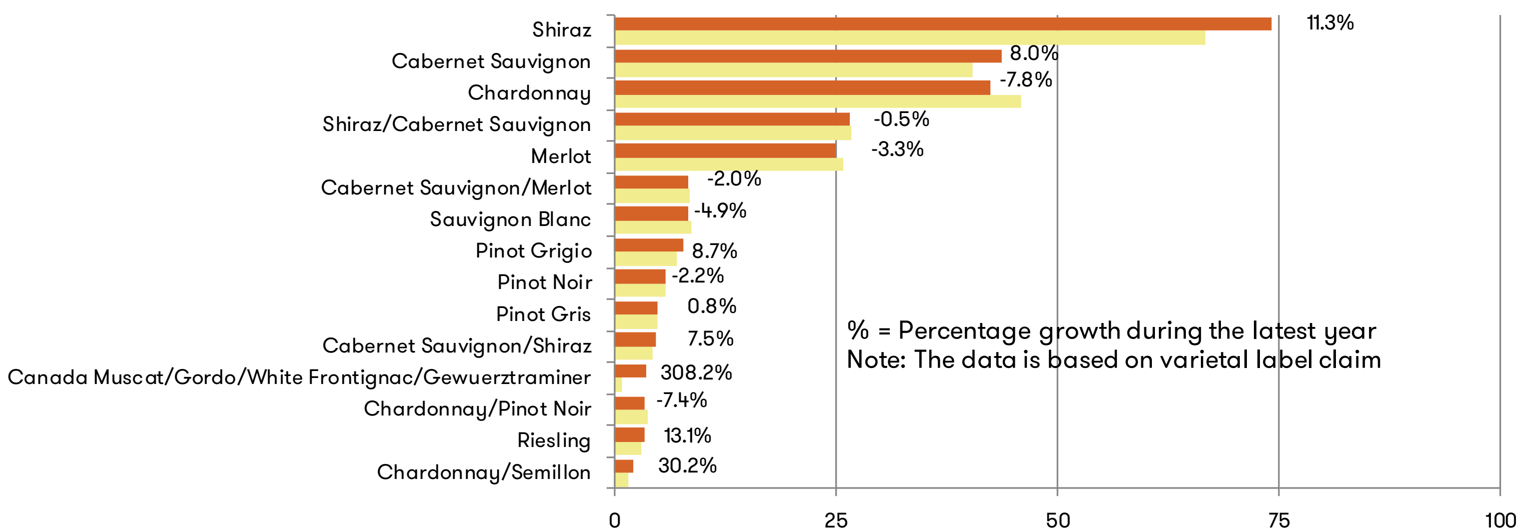
Value (million AUD) for MAT September 2016



	Chardonnay/Semillon	Riesling	Chardonnay/Pinot Noir	Canada Muscat/Gordo/White Frontignac/Gewuerztraminer	Cabernet Sauvignon/Shiraz	Pinot Gris	Pinot Noir	Pinot Grigio	Sauvignon Blanc	Cabernet Sauvignon/Merlot	Merlot	Shiraz/Cabernet Sauvignon	Chardonnay	Cabernet Sauvignon	Shiraz
2016	5.6	18.5	19.6	13.4	94.5	17.1	29.6	29.0	32.7	38.3	97.3	116.8	164.0	274.1	490.7
2015	4.4	14.5	20.9	3.0	75.9	15.7	26.8	23.3	31.2	38.2	92.0	108.9	164.1	232.6	408.4

Bottled exports by top 15 varietals

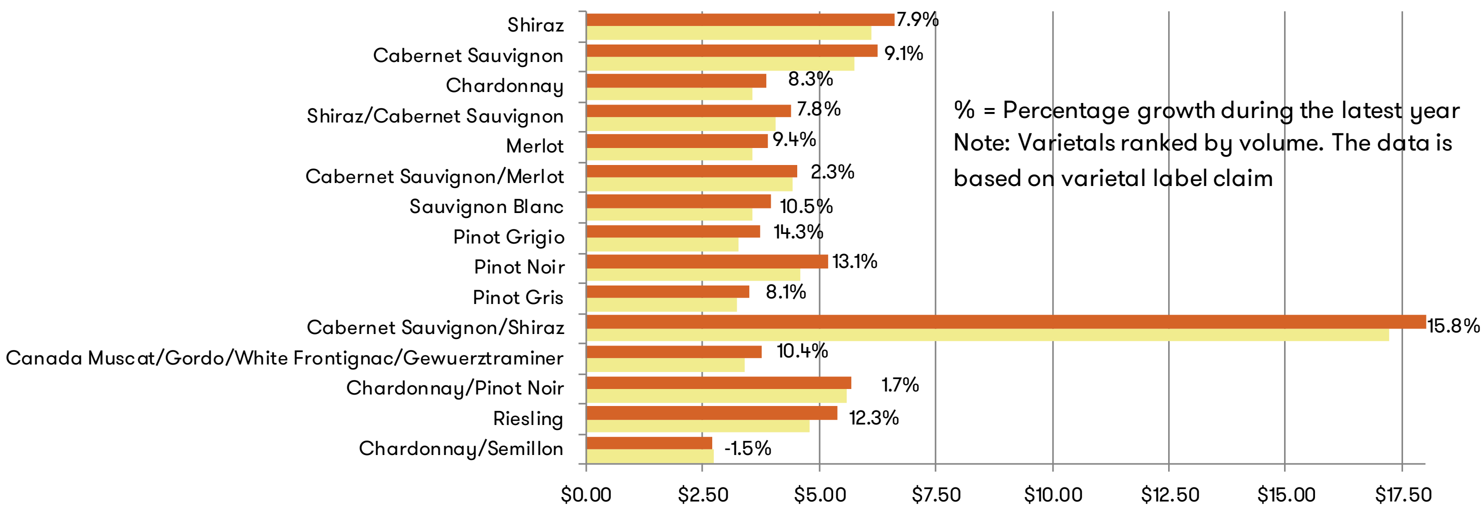
Volume (million litres) for MAT September 2016



	Chardonnay/Semillon	Riesling	Chardonnay/Pinot Noir	Canada Muscat/Gordo/White Frontignac/Gewuerztraminer	Cabernet Sauvignon/Shiraz	Pinot Gris	Pinot Noir	Pinot Grigio	Sauvignon Blanc	Cabernet Sauvignon/Merlot	Merlot	Shiraz/Cabernet Sauvignon	Chardonnay	Cabernet Sauvignon	Shiraz
2016	2.1	3.4	3.5	3.5	4.7	4.9	5.7	7.7	8.3	8.4	25.0	26.6	42.4	43.8	74.2
2015	1.6	3.0	3.7	0.9	4.4	4.8	5.8	7.1	8.7	8.6	25.9	26.8	46.0	40.5	66.7

Bottled exports by top 15 varietals

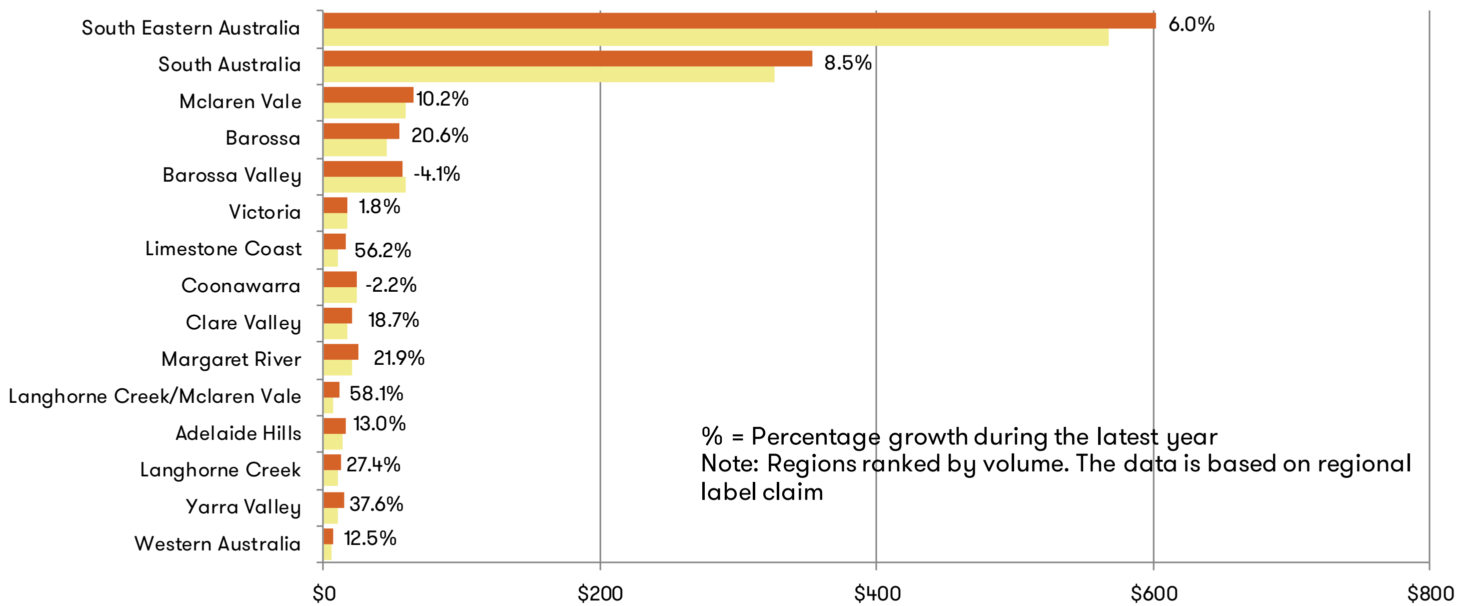
Average Value (AUD per litre) for MAT September 2016



	Chardonnay/Semillon	Riesling	Chardonnay/Pinot Noir	Canada Muscat/Gordo/White Frontignac/Gewuerztraminer	Cabernet Sauvignon/Shiraz	Pinot Gris	Pinot Noir	Pinot Grigio	Sauvignon Blanc	Cabernet Sauvignon/Merlot	Merlot	Shiraz/Cabernet Sauvignon	Chardonnay	Cabernet Sauvignon	Shiraz
2016	$2.70	$5.39	$5.68	$3.77	$19.95	$3.50	$5.19	$3.75	$3.96	$4.55	$3.89	$4.38	$3.87	$6.27	$6.61
2015	$2.74	$4.80	$5.58	$3.41	$17.22	$3.24	$4.59	$3.28	$3.58	$4.45	$3.56	$4.07	$3.57	$5.74	$6.13

Bottled exports by top 15 GI regions

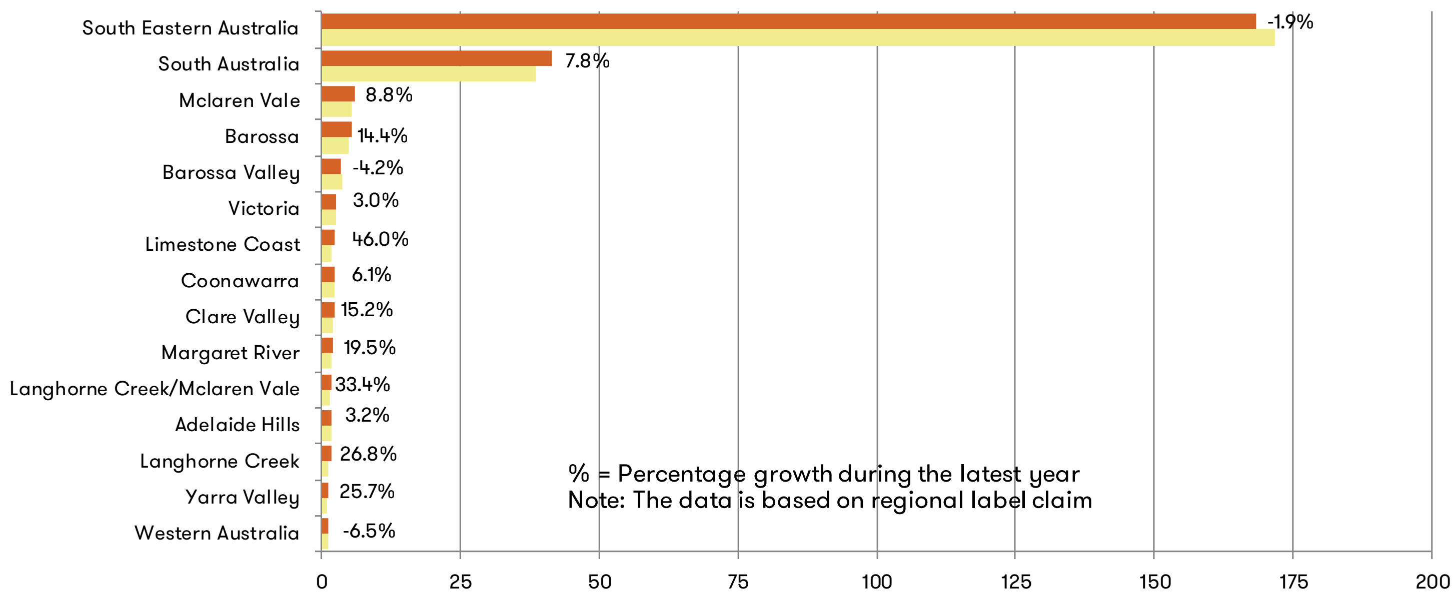
Value (million AUD) for MAT September 2016



	Western Australia	Yarra Valley	Langhorn e Creek	Adelaide Hills	Langhorn e Creek/M claren Vale	Margaret River	Clare Valley	Coonaw arra	Limeston e Coast	Victoria	Barossa Valley	Barossa	Mclaren Vale	South Australia	South Eastern Australia
2016	7.0	14.6	13.1	15.7	11.4	25.0	20.5	23.8	15.6	17.8	56.7	55.4	65.4	353.9	602.7
2015	6.2	10.6	10.3	13.9	7.2	20.5	17.3	24.3	10.0	17.5	59.1	45.9	59.3	326.3	568.5

Bottled exports by top 15 GI regions

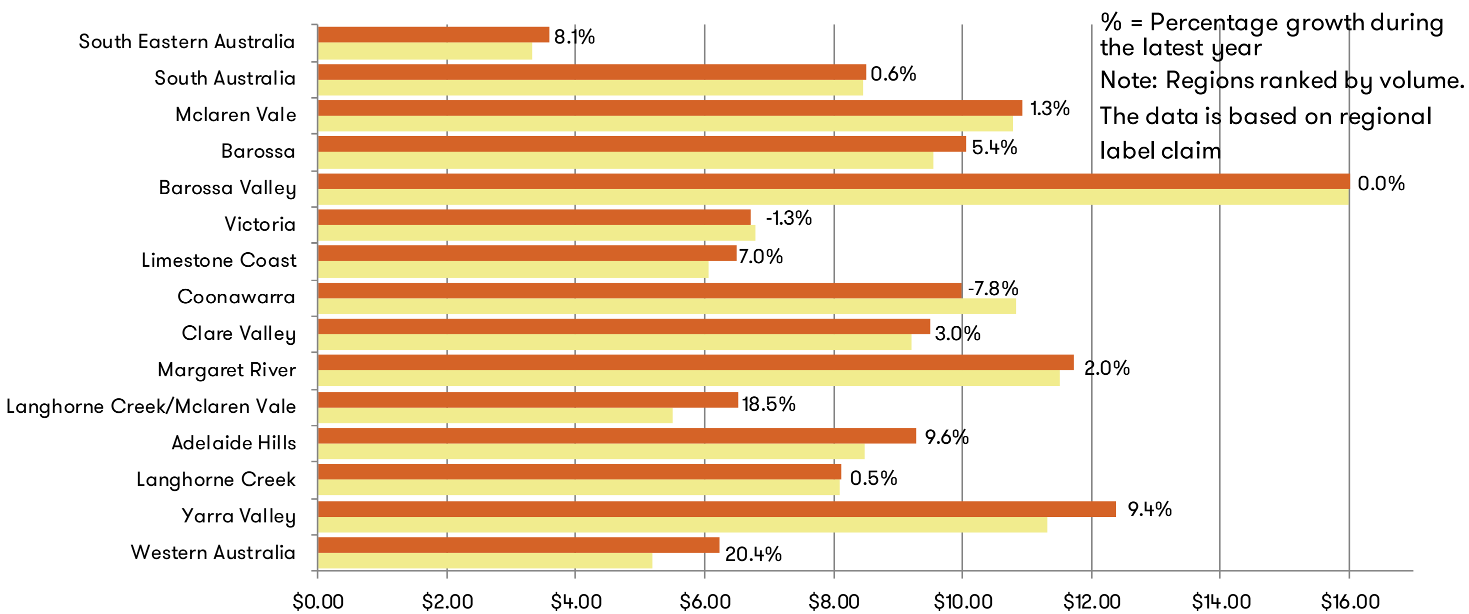
Volume (million litres) for MAT September 2016



	Western Australia	Yarra Valley	Langhorne Creek	Adelaide Hills	Langhorne Creek/Mclaren Vale	Margaret River	Clare Valley	Coonawarra	Limestone Coast	Victoria	Barossa Valley	Barossa	Mclaren Vale	South Australia	South Eastern Australia
2016	1.1	1.2	1.6	1.7	1.7	2.1	2.2	2.4	2.4	2.7	3.5	5.5	6.0	41.5	168.4
2015	1.2	0.9	1.3	1.6	1.3	1.8	1.9	2.2	1.6	2.6	3.7	4.8	5.5	38.5	171.7

Bottled exports by top 15 GI regions

Average Value (AUD per litre) for MAT September 2016



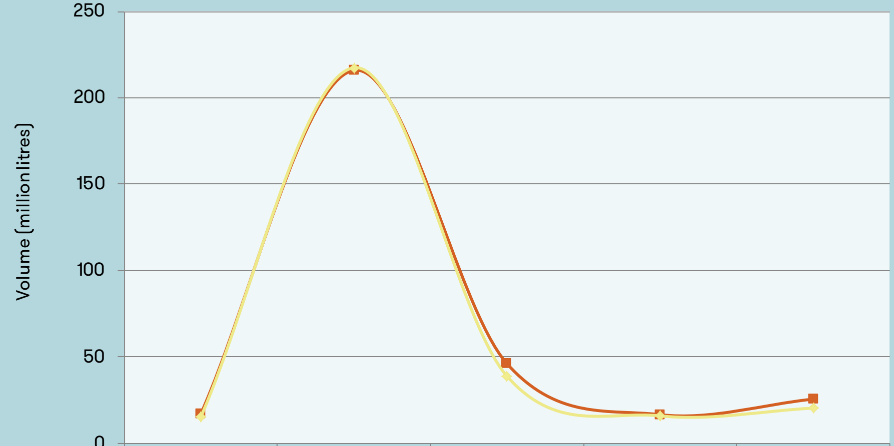
	Western Australia	Yarra Valley	Langhorne Creek	Adelaide Hills	Langhorne Creek/Mclaren Vale	Margaret River	Clare Valley	Coonawarra	Limestone Coast	Victoria	Barossa Valley	Barossa	Mclaren Vale	South Australia	South Eastern Australia
2016	$6.24	$12.38	$8.13	$9.30	$6.52	$11.73	$9.50	$9.99	$6.49	$6.71	$16.01	$10.07	$10.93	$8.52	$3.58
2015	$5.18	$11.31	$8.09	$8.48	$5.50	$11.50	$9.22	$10.84	$6.07	$6.80	$16.00	$9.55	$10.79	$8.46	$3.31

Bottled exports by price point

Volume

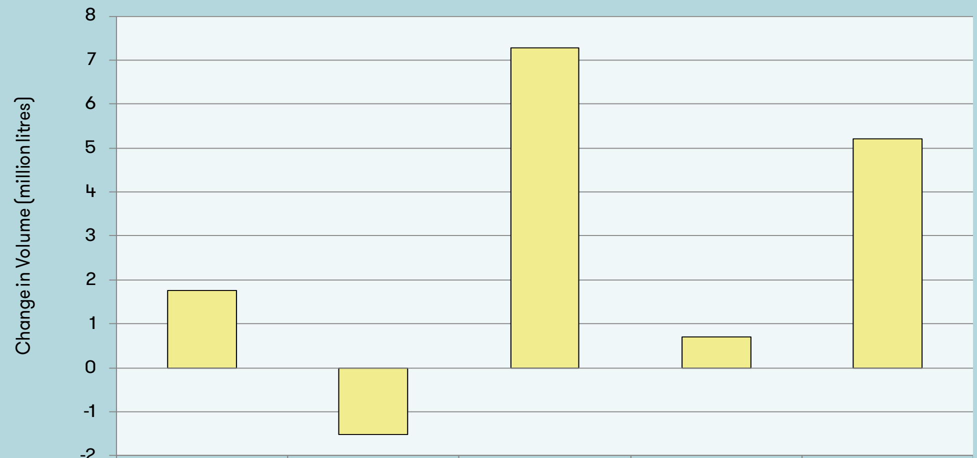
MAT September 2016

Volume (million litres)



	$2.49 and under	$2.50 to $4.99	$5.00 to $7.49	$7.50 to $9.99	$10.00 and over
2016	17	216	46	17	26
2015	15	217	39	16	20

Change in Volume



	$2.49 and under	$2.50 to $4.99	$5.00 to $7.49	$7.50 to $9.99	$10.00 and over
% change	11.6%	-0.7%	18.7%	4.4%	25.5%
Vol change	1.8	-1.5	7.3	0.7	5.2

Bulk wine exports report

Contents

Bulk wine exports by price point and destination

Value ('000 AUD) for MAT September 2016

	$0.50 and under		$0.50 to $1.00		$1.00 to $1.50		$1.50 to $2.00		$2.00 to $2.50		$2.50 and above		Total	
	MAT September 2016 ('000 AUD)	Change %	MAT September 2016 ('000 AUD)	Change %	MAT September 2016 ('000 AUD)	Change %	MAT September 2016 ('000 AUD)	Change %	MAT September 2016 ('000 AUD)	Change %	MAT September 2016 ('000 AUD)	Change %	MAT September 2016 ('000 AUD)	Change %
UK	590	22%	100,199	-7%	49,967	-11%	15,509	-32%	14,668	-27%	11,628	49%	192,561	-10%
USA	346	na	20,793	-19%	26,694	14%	1,018	567%	1,447	17%	3,988	7%	54,285	0%
Canada	-	na	19,038	-23%	8,542	204%	156	643%	18	na	-	-100%	27,754	1%
China	26	-56%	12,176	146%	3,738	41%	1,851	1392%	2,856	654%	5,424	310%	26,071	175%
Germany	-	na	19,270	-4%	3,935	-15%	1,171	-20%	266	53%	154	143%	24,796	-6%
New Zealand	-	na	7,208	22%	4,870	64%	712	-41%	108	na	444	-43%	13,343	23%
Italy	12	na	380	-58%	11,652	-33%	299	65%	-	-100%	-	na	12,343	-33%
Denmark	-	na	5,467	20%	304	19%	1,113	-38%	262	-36%	329	-55%	7,475	-3%
Netherlands	-	na	4,681	20%	1,757	5%	-	-100%	-	na	-	na	6,437	15%
Belgium	-	na	3,935	12%	1,765	-11%	257	-42%	-	na	-	na	5,957	1%
Finland	-	na	2,261	2%	2,231	-23%	143	7%	-	-100%	551	12%	5,187	-12%
Sweden	-	-100%	728	146%	515	-42%	931	744%	1,051	133%	405	na	3,631	107%
France	-	na	2,887	0%	339	34%	235	130%	-	-100%	152	88%	3,613	7%
Japan	-	na	1,399	-42%	393	-46%	355	-62%	384	na	50	na	2,581	-36%
United Arab Emirates	-	na	-	na	-	na	-	na	-	na	1,213	na	1,213	na
Switzerland	-	na	553	26%	211	-17%	74	-34%	96	-50%	65	-50%	999	-11%
Norway	-	na	722	60%	130	-49%	-	na	-	na	-	na	851	20%
Thailand	-	na	321	399%	259	-35%	-	na	-	na	-	na	580	25%
Other	10	-100%	1,010	148%	755	44%	197	-36%	-	na	344	28%	2,315	-49%
Total	984	-73%	203,028	-4%	118,055	-2%	24,021	-19%	21,157	-8%	24,747	60%	391,992	-3%

Bulk wine exports by price point and destination

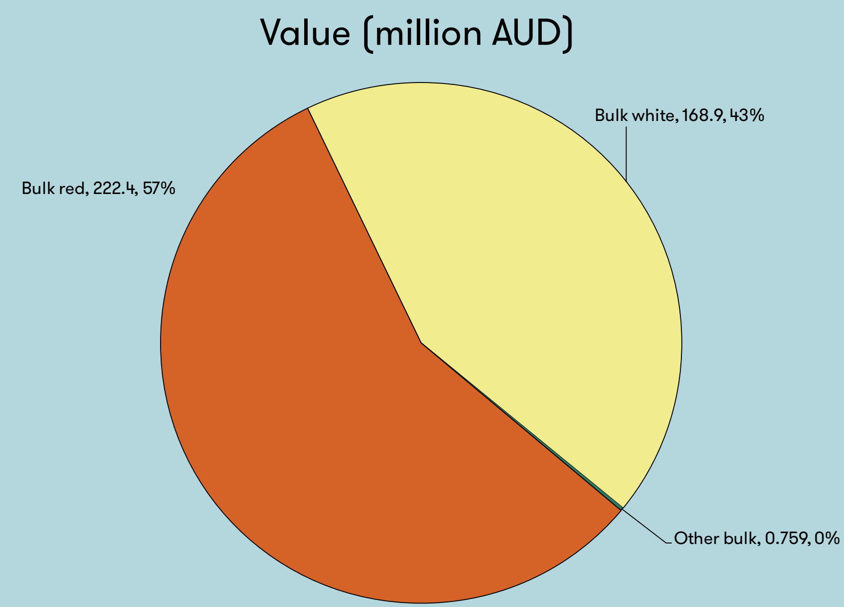
Volume ('000 litres) for MAT September 2016

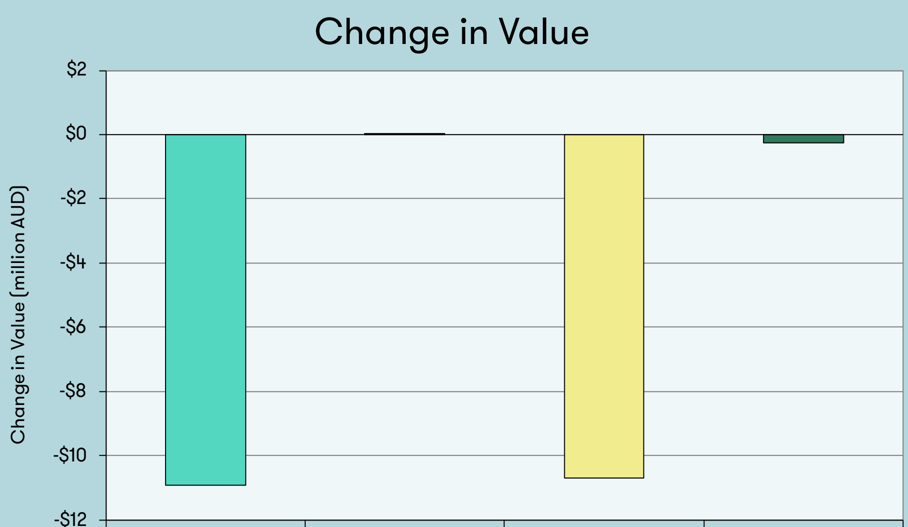
	$0.50 and under		$0.50 to $1.00		$1.00 to $1.50		$1.50 to $2.00		$2.00 to $2.50		$2.50 and above		Total	
	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %	MAT September 2016 ('000 Litres)	Change %
UK	1,320	25%	134,123	-3%	44,172	-8%	8,916	-29%	6,755	-23%	4,161	52%	199,448	-6%
USA	816	na	27,632	-16%	22,855	8%	582	600%	611	17%	1,100	11%	53,596	-4%
Canada	-	na	23,454	-21%	8,271	213%	104	643%	9	na	-	-100%	31,838	-1%
Germany	-	na	25,747	-5%	3,585	-14%	648	-18%	120	65%	48	100%	30,147	-6%
China	120	-29%	14,771	129%	3,133	34%	1,068	1383%	1,248	643%	1,412	268%	21,752	127%
New Zealand	-	na	11,626	23%	4,063	64%	432	-42%	48	na	126	-49%	16,295	26%
Italy	119	na	380	-58%	10,255	-31%	180	67%	-	-100%	-	na	10,934	-31%
Denmark	-	na	7,803	17%	239	0%	649	-39%	120	-37%	86	-55%	8,898	7%
Netherlands	-	na	6,007	16%	1,582	6%	-	-100%	-	na	-	na	7,589	13%
Belgium	-	na	4,869	8%	1,650	-5%	153	-44%	-	na	-	na	6,672	2%
Finland	-	na	2,521	-7%	2,094	-15%	75	1%	-	-100%	129	5%	4,819	-11%
France	-	na	3,576	1%	291	34%	140	169%	-	-100%	46	156%	4,053	5%
Japan	-	na	1,737	-38%	338	-36%	210	-62%	192	na	10	na	2,487	-36%
Sweden	-	-100%	788	153%	438	-46%	528	637%	504	133%	95	na	2,352	61%
Switzerland	-	na	720	31%	168	-13%	48	-34%	48	-50%	24	-50%	1,008	5%
Norway	-	na	768	60%	96	-55%	-	na	-	na	-	na	864	24%
Chile	-	na	528	na	-	na	-	na	-	na	-	na	528	na
Thailand	-	na	335	366%	192	-43%	-	na	-	na	-	na	527	29%
Other	24	-100%	672	33%	650	58%	120	-33%	-	na	271	508%	1,738	-78%
Total	2,399	-70%	268,058	-2%	104,073	0%	13,851	-17%	9,655	-5%	7,509	55%	405,546	-3%

Bulk exports by colour/ wine style

Value

MAT September 2016





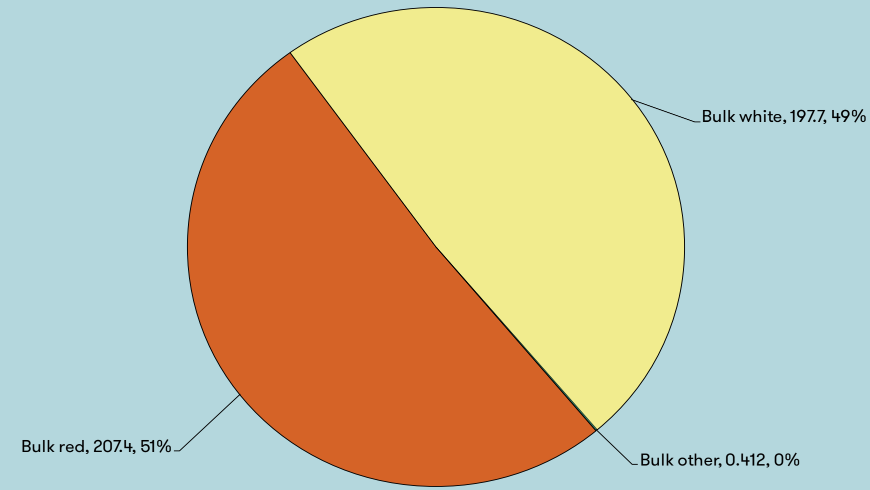
	Total Bulk	Bulk red	Bulk white	Other bulk
% change	-2.7%	0.0%	-6.0%	-24.6%
Val change	-10.9	0.0	-10.7	-0.2

Bulk exports by colour/ wine style

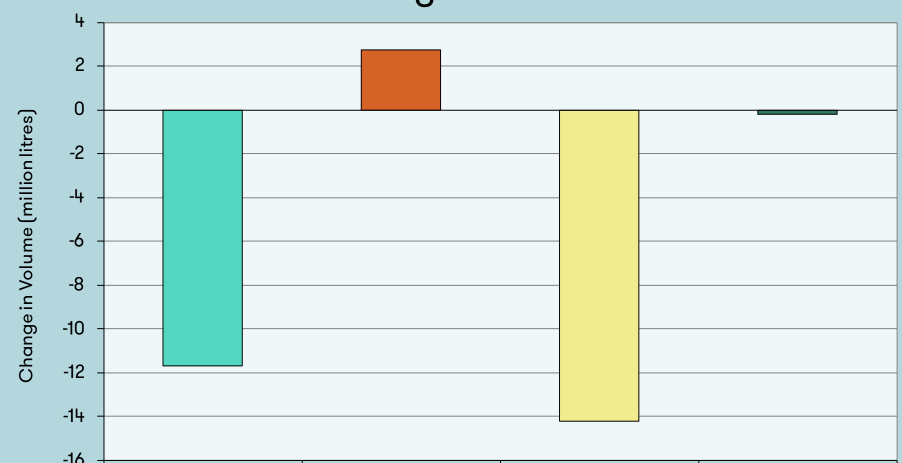
Volume

MAT September 2016

Volume (million litres)



Change in Volume

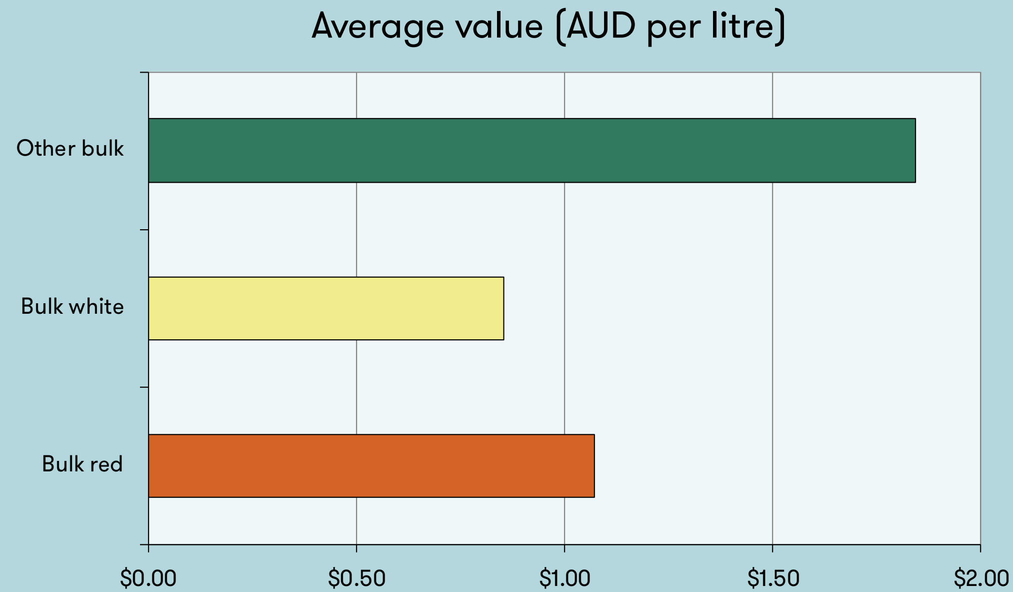


	Total Bulk	Bulk red	Bulk white	Bulk other
% change	-2.8%	1.3%	-6.7%	-35.3%
Vol change	-11.7	2.8	-14.2	-0.2

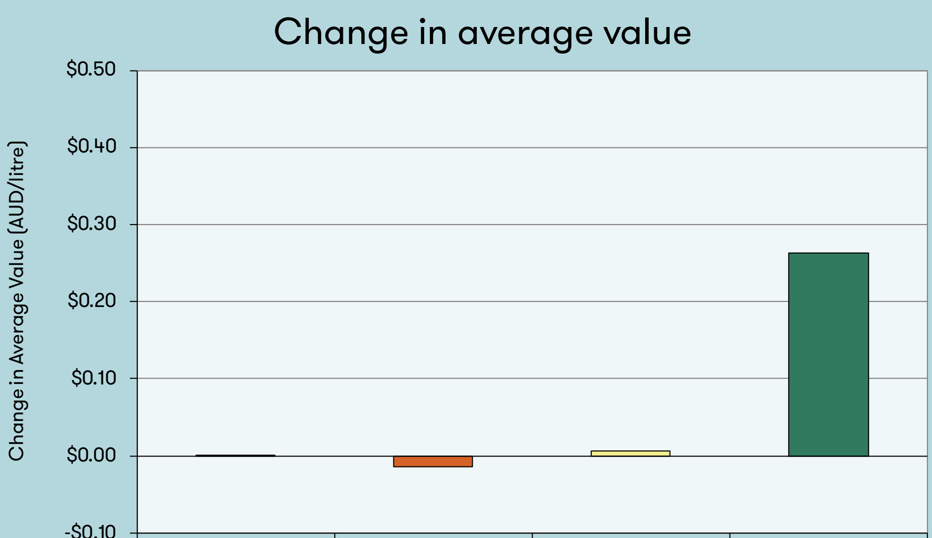
Bulk exports by colour/ wine style

Average value

MAT September 2016



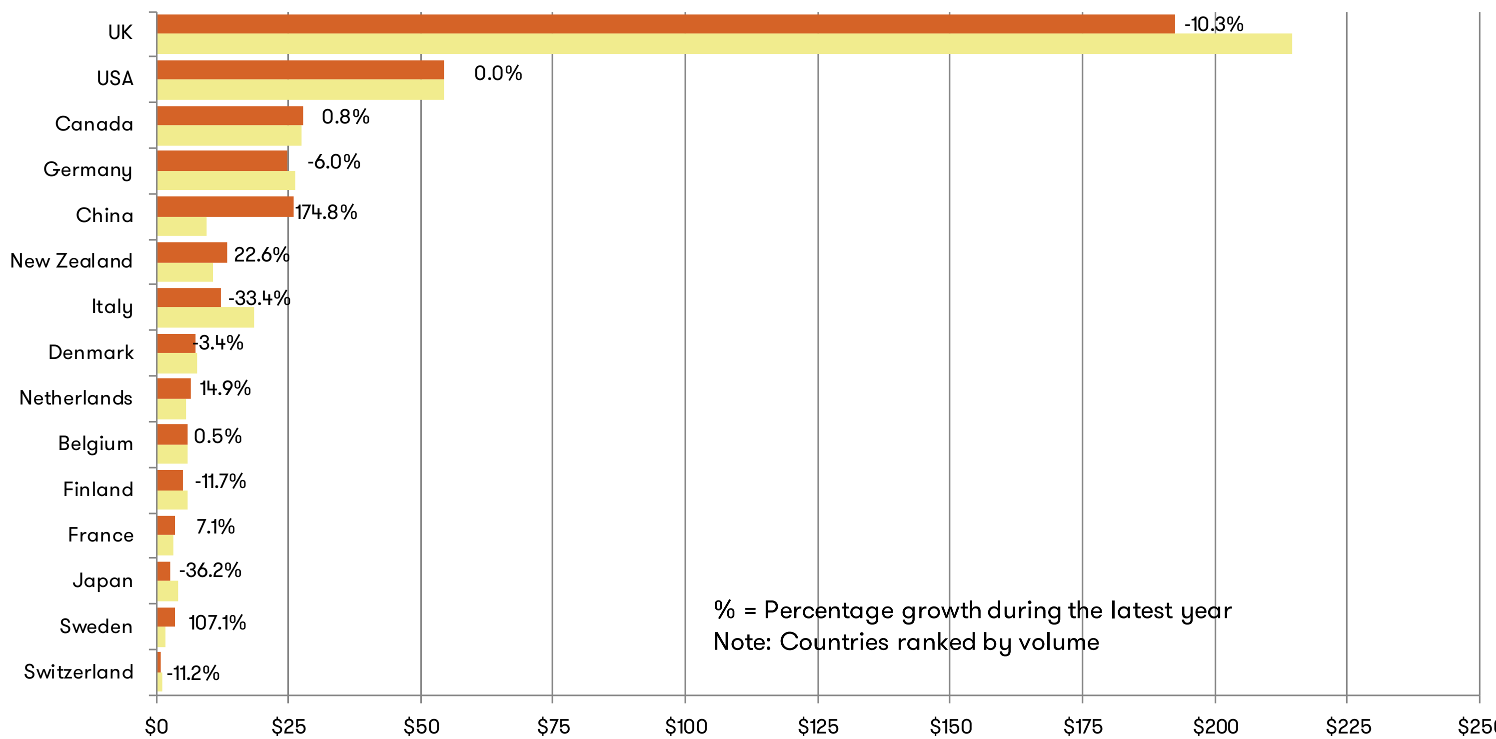
	Bulk red	Bulk white	Other bulk
2016	$1.07	$0.85	$1.84



	Total Bulk	Bulk red	Bulk white	Other bulk
% change	0.1%	-1.3%	0.8%	16.6%
Av. Val change	$0.00	-$0.01	$0.01	$0.26

Bulk exports by top 15 destinations

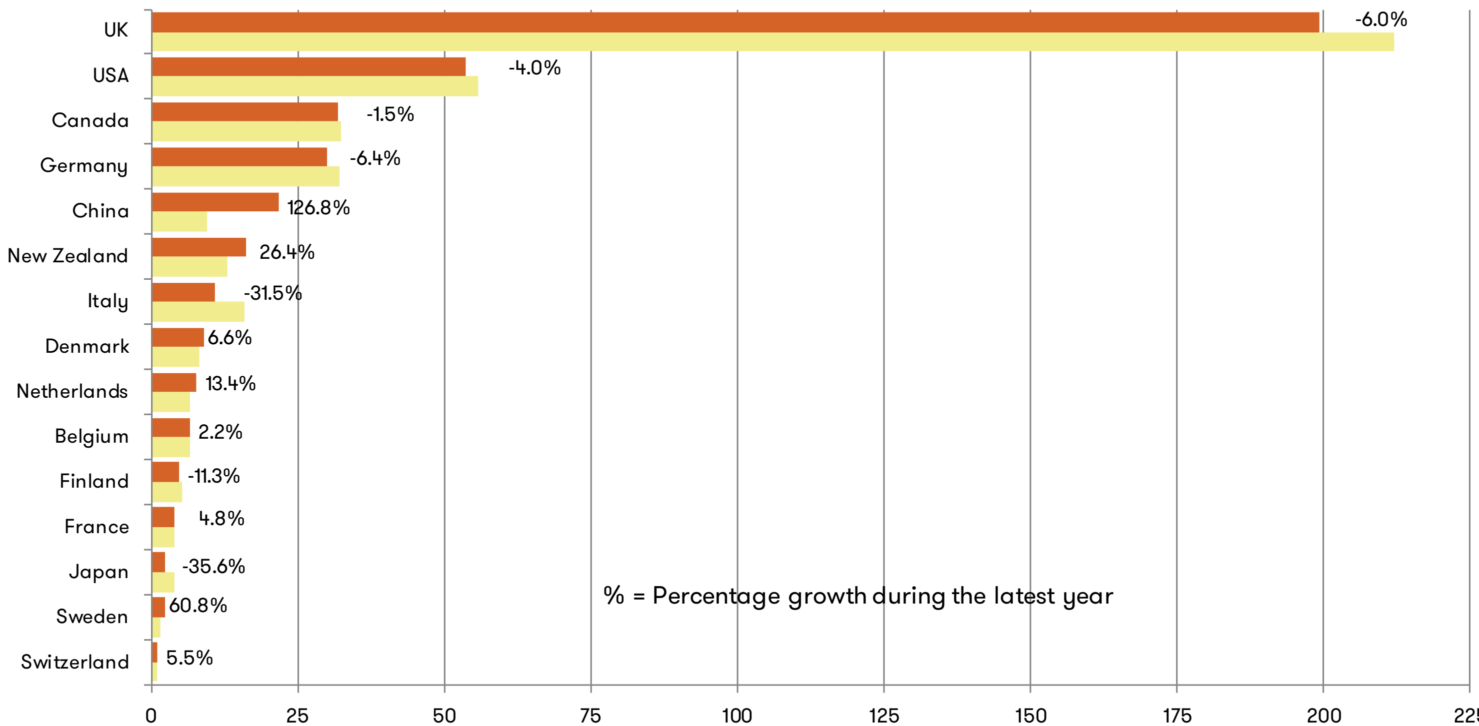
Value (million AUD) for MAT September 2016



	Switzerland	Sweden	Japan	France	Finland	Belgium	Netherlands	Denmark	Italy	New Zealand	China	Germany	Canada	USA	UK
2016	1.0	3.6	2.6	3.6	5.2	6.0	6.4	7.5	12.3	13.3	26.1	24.8	27.8	54.3	192.6
2015	1.1	1.8	4.0	3.4	5.9	5.9	5.6	7.7	18.5	10.9	9.5	26.4	27.5	54.3	214.6

Bulk exports by top 15 destinations

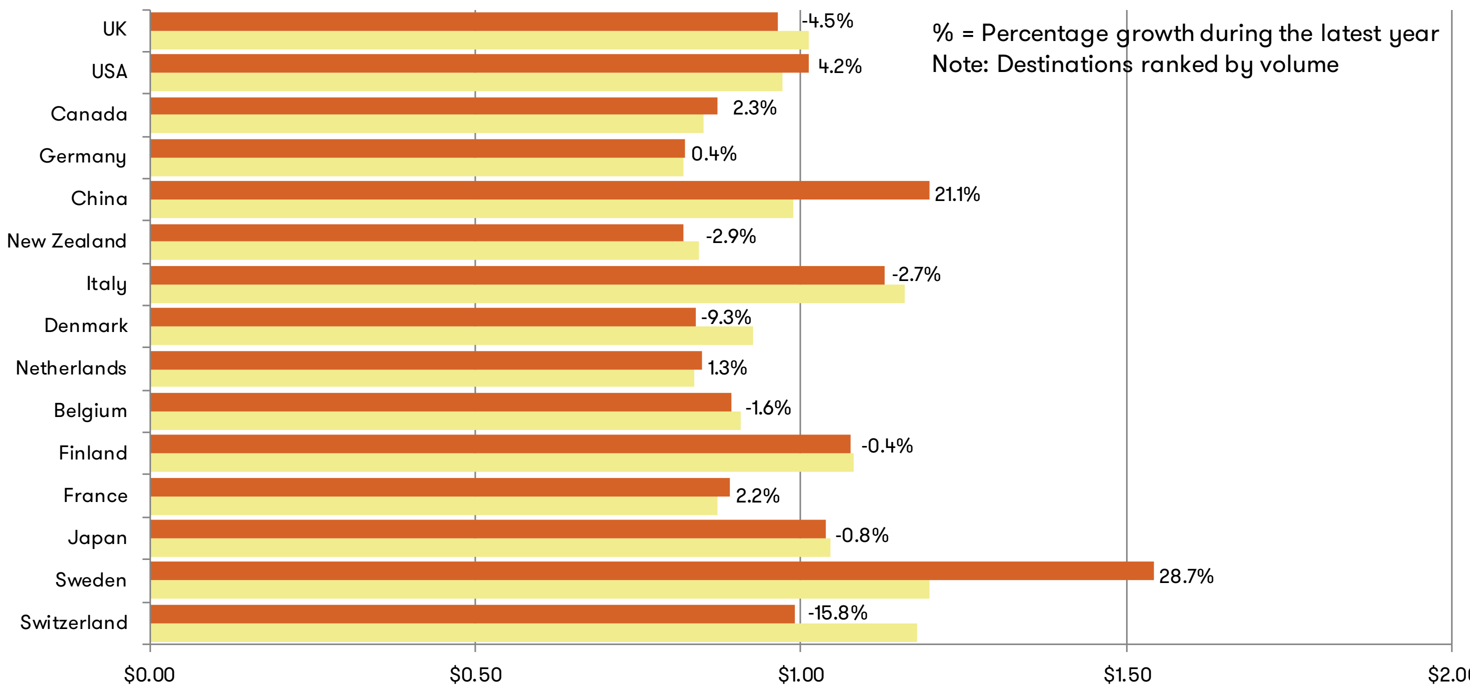
Volume (million litres) for MAT September 2016



	Switzerland	Sweden	Japan	France	Finland	Belgium	Netherlands	Denmark	Italy	New Zealand	China	Germany	Canada	USA	UK
2016	1.0	2.4	2.5	4.1	4.8	6.7	7.6	8.9	10.9	16.3	21.8	30.1	31.8	53.6	199.4
2015	1.0	1.5	3.9	3.9	5.4	6.5	6.7	8.3	16.0	12.9	9.6	32.2	32.3	55.8	212.2

Bulk exports by top 15 destinations

Average Value (AUD per litre) for MAT September 2016



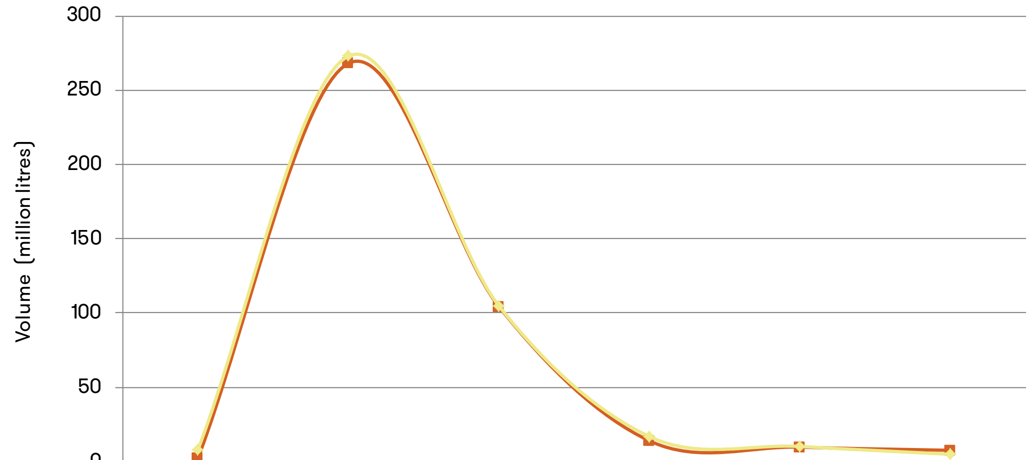
	Switzerland	Sweden	Japan	France	Finland	Belgium	Netherlands	Denmark	Italy	New Zealand	China	Germany	Canada	USA	UK
2016	$0.99	$1.54	$1.04	$0.89	$1.08	$0.89	$0.85	$0.84	$1.13	$0.82	$1.20	$0.82	$0.87	$1.01	$0.97
2015	$1.18	$1.20	$1.05	$0.87	$1.08	$0.91	$0.84	$0.93	$1.16	$0.84	$0.99	$0.82	$0.85	$0.97	$1.01

Bulk Exports by price point

Volume

MAT September 2016

Volume (million litres)



	$0.00 to $0.49	$0.50 to $0.99	$1.00 to $1.49	$1.50 to $1.99	$2.00 to $2.49	$2.50 and above
2016	2	268	104	14	10	8
2015	8	273	105	17	10	5

Change in Volume

	$0.00 to $0.49	$0.50 to $0.99	$1.00 to $1.49	$1.50 to $1.99	$2.00 to $2.49	$2.50 and above
% change	-70.3%	-1.8%	-0.4%	-17.1%	-4.6%	55.3%
Vol change	-5.7	-4.9	-0.5	-2.9	-0.5	2.7

Notes & Definitions

- **Export Approvals:** Wine approved by Wine Australia for export on specified dates. Exports reported in this document refer to the date wine is shipped and not the date of approval. Note that the A$ FOB value of wine reported in this document may differ from export values reported by the Australian Bureau of Statistics (ABS). The divergence between the two values derives from differences between Wine Australia and ABS in the method of converting the value of exports denominated in foreign currency to A$. In the case of Australia, the exporter makes the conversion when submitting wine for export approval while the ABS converts the value on the day of shipment, at the daily conversion rate. With Wine Australia method, it is expected that some of the conversions will occur at hedged rates while this does not occur with the ABS method. When the Australian exchange rate is moving significantly the alternative methods will result in diverging valuations. Volumes reported by Wine Australia and ABS differ only marginally due to the "approval" versus "shipment" basis of reporting as well as marginal differences in scope and definition.

- **MAT:** Moving Annual Total - refers to the twelve months ending with the nominated month.

- **% Change** : Is calculated as the percentage change in the MAT for the immediate past 12 months compared to the preceding 12 months.

- **Formula:** % Change = ((current MAT - preceding MAT)/preceding MAT) x 100

- **AUD:** Australian dollars

- **FOB:** 'Free on board' value of the wine, where the point of valuation is where goods are placed on board the international carrier, at the border of the exporting country. The FOB value includes production and other costs up until placement on the international carrier but excludes international insurance and transport costs.

- **Country:** In most instances, this indicates where the wine is consumed. In some instances, it may be the country at which the wine is off-loaded for bottling and/or trans-shipment to the country of final consumption.

Notes & Definitions (continued)

- **Still wine:** Still wine in bottles, casks, flagons or bulk containers.
- **Bulk:** Wine shipped for repackaging elsewhere. This may involve containers with a capacity of 20 litres or more but will most often mean large shipping containers of size ranging between 10 000 and 24 000 litres.
- **Cask or soft packs:** Plastic containers within cardboard outers usually carrying between 2 and 20 litres.
- **Flagons:** Glass containers holding 2 litres or more.
- **Bottles:** Glass containers holding less than 2 litres.
- **Alternative packaging:** Includes: Flagon, Tetra-pak, PET and Aluminium
- **Red wine:** Amounts reported may or may not include both dry red wine and rose
- **White wine:** Amounts reported may or may not include both dry and sweet white wine
- **Fermented sparkling:** Sparkling wine in which the effervescence is produced naturally through secondary fermentation in the bottle.

Wine Australia providing insights on Australian Wine

Export Report