

Wine Australia

Media release

Tuesday 23 January 2018

Australian wine exports reach post-GFC high of \$2.56 billion

Australian wine exports increased by 15 per cent to \$2.56 billion in the 12 months ending December 2017, according to Wine Australia's Export Report released today.

The 15 per cent increase in the value of exports is the highest annual growth rate since 2004 and it was also a record-breaking year for volume, with exports growing by 8 per cent to 811 million litres, a calendar year high.

Wine Australia CEO, Andreas Clark, said the positives continued with the sector achieving a 7 per cent increase in average value per litre free on board (FOB*) to \$3.16, the highest level since 2009.

'Growing demand for premium Australian wine, particularly in Northeast Asia, increased the value of bottled wine exports by 17 per cent to \$2.1 billion, while the average price per litre for bottled wine grew by 3 per cent to a record \$5.63', Mr Clark said.

Wine exported in bulk also experienced price increases, with total value increasing by 10 per cent to \$440 million and average value per litre increasing by 6 per cent to \$1.03, the highest average value since 2012.

Mr Clark said it was notable that exports of wines priced above \$10 per litre grew by 29 per cent to a record \$738 million.

Figure 1: Exports of wine by price segment

Price segment (A\$/litre)	MAT December 2017	Value change	Growth rate
\$2.49 and under	\$511,230,356	\$76,436,923	18%
\$2.50 to \$4.99	\$829,999,393	\$42,768,086	5%
\$5.00 to \$7.49	\$332,034,222	\$48,491,468	17%
\$7.50 to \$9.99	\$150,448,428	\$8,126,188	6%
\$10.00 to \$14.99	\$200,552,005	\$30,711,339	18%
\$15.00 to \$19.99	\$76,674,239	(\$10,110,144)	-12%
\$20.00 to \$29.99	\$131,612,861	\$49,267,099	60%
\$30.00 to \$49.99	\$94,210,830	\$32,374,491	52%
\$50.00 to \$99.99	\$164,096,793	\$35,281,907	27%
\$100.00 to \$199.99	\$17,152,041	\$4,715,133	38%
\$200.00 +	\$53,727,561	\$21,643,089	67%
Total value	\$2,561,738,728	\$339,705,582	15%

Destinations

Exports to Northeast Asia were the growth driver with exports increasing by 47 per cent to over \$1 billion for the first time.

Australian wine has experienced outstanding growth in exports to mainland China over the last decade. The implementation of the China–Australia Free Trade Agreement in 2015 provided impetus to an already strong market. The export figures for 2017 suggest Australia is well-placed for this trend to continue. The value of exports increased by 63 per cent to \$848 million and volume by 54 per cent to 153 million litres. The average price increased by 6 per cent to \$5.55 per litre FOB.

There was growth in exports to mainland China across all price points, from entry level/commercial wines through to Australia's finest wines.

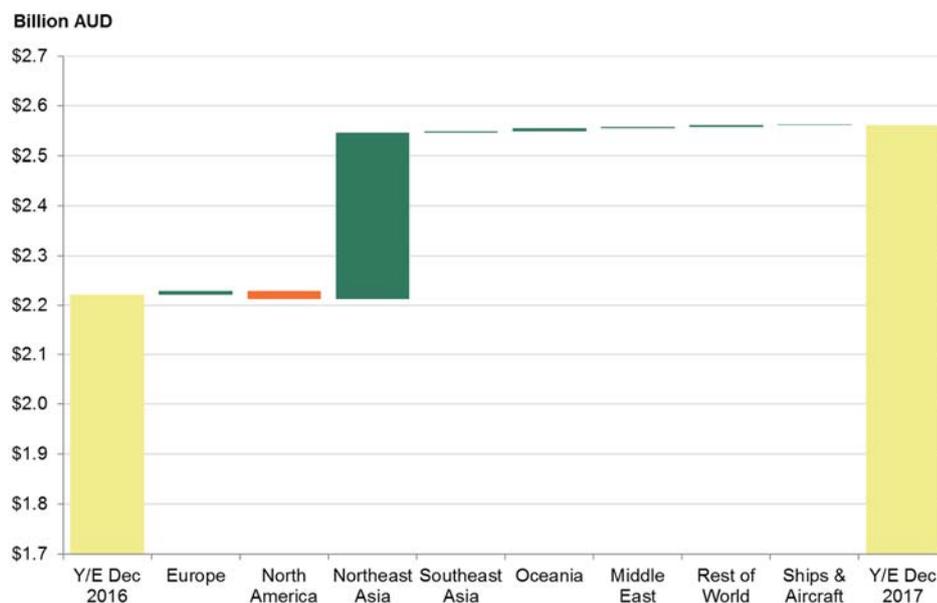
Exports also grew to:

- Europe by 1 per cent to \$576 million
- Southeast Asia by 2 per cent to \$165 million, and
- Oceania by 8 per cent to \$94 million.

Exports to North America decreased slightly by 2 per cent to \$636 million. However, exports of wines to the United States of America (USA) valued at \$10 per litre or more (that sell for US\$14 or more per bottle retail) increased by 8 per cent to \$45 million.

The growth in premium wine exports to the USA is also evident in retail figures. Off-trade sales figures from sector analyst IRI showed at US\$11 or more per bottle, Australian sales grew by 32 per cent while the total sales in this segment increased by 7 per cent in the year ended September 2017.

Figure 2: Value growth by region



The top 5 markets by value in 2017 were:

- China mainland (33 per cent of total export value)
- United States (18 per cent)
- United Kingdom (14 per cent)
- Canada (7 per cent), and
- Hong Kong (5 per cent).

The top 5 markets by volume in 2017 were:

- United Kingdom (28 per cent share of total export volume)
- United States of America (21 per cent)
- China mainland (19 per cent)
- Canada (8 per cent), and
- Germany (5 per cent).

*It is important to note that 80 per cent of wine exported to the United Kingdom and Germany was shipped in bulk containers. This has a significant impact on the reported FOB values that are used in Wine Australia’s Export Report as the value of packaging is not included in the FOB values as it is with products that are packaged in Australia.

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About Wine Australia

Wine Australia supports a competitive wine sector by investing in research, development and extension (RD&E), growing domestic and international markets and protecting the reputation of Australian wine. Wine Australia is funded by grape growers and winemakers through levies and user-pays charges and the Australian Government, which provides matching funding for RD&E investments. Wine Australia is a Commonwealth statutory authority established under the *Wine Australia Act 2013*.

Wine Australia

Export report

MAT to December 2017



China ↑ **63%**
mainland

	China mainland	\$848m	↑	63%
	United States	\$449m	↓	-2%
	United Kingdom	\$348m	↓	-2%
	Canada	\$187m	↓	-3%
	Hong Kong	\$118m	↑	7%

