Wine Australia providing insights on Australian Wine

Export Report

Moving Annual Total (MAT)

To September 2017

Contents

Summary Report	3
Bottled Report	25
Bulk Report	43
Notes and definitions	53

Summary Report

Commentary 4

Historic overview 15

Exports by container type 19

Wine exports by country, container and colour 20

Exports by top 15 destinations 22

Exports by colour/wine style 24

Commentary

In the 12 months ended September 2017, the value of Australian wine exports grew by 13 per cent to $2.44 billion and volume increased by 9 per cent to 799 million litres. The average value of Australian wine exports grew by 4 per cent to $3.06 per litre free on board (FOB), the highest since the equivalent period in 2009.

Overall, an additional $276 million in revenue was generated by Australian wine exporters compared to the year prior.

There was value growth in all container types:

- bottled grew by 13 per cent to $1.99 billion
- bulk grew by 9 per cent to $428 million
- soft-packs grew by 9 per cent to $14 million, and
- alternative packaging grew by 66 per cent to $6.5 million.

The average value of botted exports increased by 1 per cent to $5.53 per litre FOB and bulk exports increased by 3 per cent to $1.00 per litre FOB.

There was growth across all price points except at $15–19.99 per litre, which declined modestly (see figure 1).

There was strong growth in entry level and commercial wines priced at $2.49 per litre and under, up 22 per cent to $505 million. The growth was slightly stronger for Australia's fine wines, with exports at $10 or more per litre FOB up 23 per cent to a record $672 million. This reflects the increasing demand for premium Australian wines in most regions around the world. Generally, most markets worldwide have experienced consumers trading up to higher value products, across a wide range of categories. The strongest rate of growth was between $30–49.99 per litre FOB.

Figure 1: Exports of wine by price segment

Price segment (A$/litre)	Value 2017	Added value	Growth rate
$2.49 and under	$505	$92	22%
$2.50 to $4.99	$805	$21	3%
$5.00 to $7.49	$313	$34	12%
$7.50 to $9.99	$147	$4	3%
$10.00 to $14.99	$191	$28	17%
$15.00 to $19.99	$82	-$1	-1%
$20.00 to $29.99	$108	$30	39%
$30.00 to $49.99	$84	$35	69%
$50.00 to $99.99	$146	$16	13%
$100.00 to $199.99	$15	$3	30%
$200.00 +	$46	$15	47%
Total	$2,442	$276	13%

Red wine continues to be the major Australian wine category with 74 per cent share of export value, ahead of white wine with 22 per cent, and other wines with 3 per cent. Red wine was the standout growth category for table wine, up 16 per cent to $1.8 billion. Exports of white wine also grew but at a much lower rate, up 2 per cent to $546 million.

Within the red wine category, the top five exported wines recorded growth:

- Shiraz by 17 per cent to $574 million
- no variety label claim (dry red, red blend etc.) by 20 per cent to $358 million
- Cabernet Sauvignon by 16 per cent to $320 million
- Shiraz/Cabernet Sauvignon by 33 per cent to $156 million, and
- Merlot by 14 per cent to $111 million.

Commentary (continued)

Within the white wine category, the top five exported wines recorded growth:

- no variety label claim (dry white, sweet white etc.) by 3 per cent to $215 million
- Chardonnay by 10 per cent to $181 million
- Sauvignon Blanc by 24 per cent to $40 million
- Pinot Grigio by 8 per cent to $31 million, and
- Pinot Gris by 17 per cent to $20 million.

There were a record 2102 active exporters in the period – up from 1744 in the same period in 2016 – with 1475 of them contributing to the increase in value. Exports by the 1475 exporters who experienced growth increased by 28 per cent ($451 million) to $2 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 29 per cent ($175 million) to $432 million.

Overall, there were 2886 export licence holders in the 12-month period, with 35 per cent wine grape levy payers (i.e. Australian wine producers) and 65 per cent exporters who are not wine producers.

Australia is ranked fifth in global wine exports and outperformed all key competitors in the rate of growth (see figure 2).

Destinations

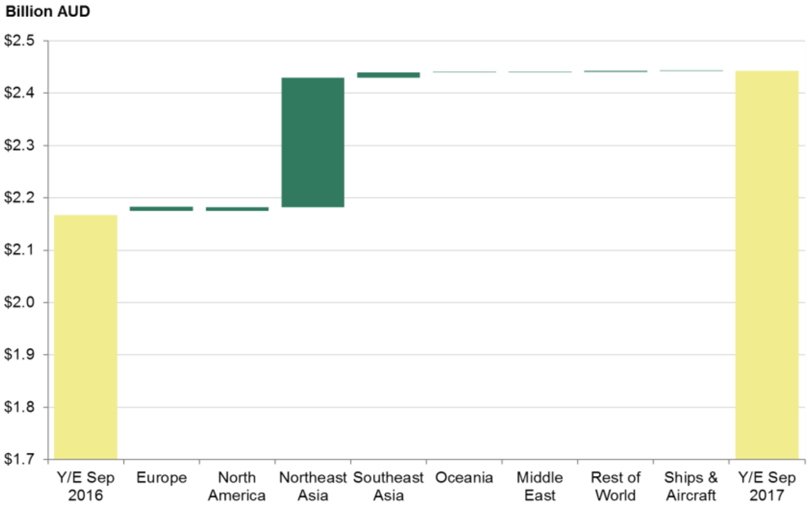
Exports to all regions recorded growth in the last year (see figure 3). Exports to Northeast Asia continued to drive growth, with value increasing by $248 million (36 per cent) to a record $926 million. Southeast Asia was the next fastest growing region; exports grew by $10 million (6 per cent) to $162 million.

Figure 2: Volume of exports of the eight biggest exporters of wine

Exporter	Million litres	Growth in last 12 months
Spain	2179	-6.4%
Italy	2081	-4.5%
France	1425	1.1%
Chile	900	-1.7%
Australia	799	8.8%
South Africa	498	-3.4%
United States	347	-10.2%
Germany	335	-7.9%
Portugal	274	-0.4%

Source: Global Trade Atlas

Figure 3: Value growth by region



Commentary (continued)

Exports also grew to:

- Europe by $8 million (1 per cent) to $578 million
- North America by $7 million (1 per cent) to $646 million, and
- the Middle East by $1 million (6 per cent) to $21 million.

Exports were destined for 124 countries and value increased in 82 markets.

The top five markets by value were:

- mainland China (30 per cent share of export value)
- United States (USA) (19 per cent)
- United Kingdom (UK) (14 per cent)
- Canada (8 per cent), and
- Hong Kong (5 per cent).

Together, these markets accounted for 76 per cent of the value of Australian exports.

The top five markets by volume were:

- UK (28 per cent share of export volume)
- USA (23 per cent)
- mainland China (17 per cent)
- Canada (8 per cent) and
- Germany (5 per cent).

It's important to note that 80 per cent of wine exported to the UK and Germany was shipped in bulk containers and this has a significant impact on the reported FOB values, as packaging is not included in the FOB as it is with products packaged in Australia.

Exceptional growth to mainland China continued, with the value of exports up 56 per cent to a record $739 million. Apart from growing consumer demand, growth was also assisted by some exporters now shipping direct to mainland China instead of Hong Kong due to the reduced tariffs through the China–Australia Free Trade Agreement (ChAFTA) and some products being sent to market in readiness for official release. Exports to the USA also increased, by 3 per cent to $461 million. Exports to the UK were down 3 per cent to $349 million with uncertainly surrounding the Brexit and the strong Australian dollar (AUD) against the British pound (GBP) remaining negative influences. Exports to Canada fell by 3 per cent to $184 million and to Hong Kong declined by 10 per cent to $113 million, with ChAFTA the key factor.

Bulk wine exports

Bulk wine exports increased by 9 per cent in value to $428 million and volume by 6 per cent to 430 million litres. The average price of bulk wine exports increased by 3 per cent to $1 per litre. This partly reflects a tightening of global supply, with expected historically low harvests in France, Italy and Spain, as well as smaller vintages in Argentina and Chile.

Bulk red wine exports increased by 8 per cent to 225 million litres and the average price by 2 per cent to $1.10 per litre. The UK is the largest destination for bulk red exports where volume declined by 8 per cent to 102 million litres. This reflects a decline in sales in the big volume commercial end of the UK off-trade market. In contrast, there was strong growth in bulk red exports to mainland China (up 75 per cent to 31 million litres), the USA up 63 per cent to 24 (million litres), Canada (up 24 per cent to 17 million litres) and Germany (up 20 per cent to 16 million litres).

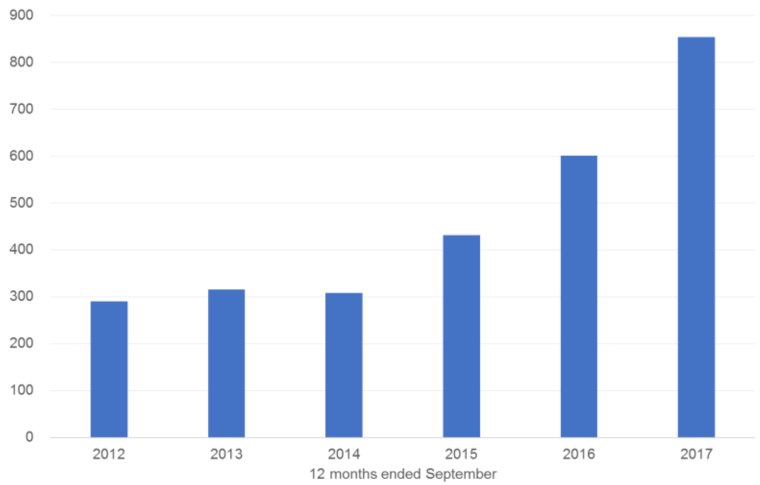
Bulk white wine exports increased by 4 per cent to 205 million litres and the average price by 3 per cent to $0.88 per litre. The white average price increased for the second consecutive year. The UK is also the largest destination for bulk white exports and the volume decline was stronger for whites, down 13 per cent to 77 million litres. There was very strong growth in bulk white exports to the USA, up 56 per cent to 61 million litres.

Commentary (continued)

Greater China

Exports to Greater China (mainland China, Hong Kong and Macau) increased by 42 per cent to $853 million and 40 per cent to 140 million litres. The value of exports to Greater China has trebled in the last five years (see figure 4). The implementation of ChAFTA at the end of 2015 has provided impetus to an already strong market in mainland China. Due to the diminishing import tariff differential between mainland China and Hong Kong, less wine destined for mainland China is routed through Hong Kong.

Figure 4: Value of exports to Greater China ($ million FOB)



Mainland China

Mainland China accounts for 87 per cent of the exports to Greater China and is the number one destination for Australian wine exports by value. The value of exports increased by 56 per cent to $739 million and volume by 46 per cent to 132 million litres. The average price increased by 7 per cent to $5.60 per litre FOB.

Figure 5: Exports to mainland China by price point ($ million FOB)

Price segment (A$/litre)	Value 2017	Added value	Growth rate
$2.49 and under	$51	$22	77%
$2.50 to $4.99	$197	$56	40%
$5.00 to $7.49	$118	$40	52%
$7.50 to $9.99	$52	$14	37%
$10.00 to $14.99	$74	$26	54%
$15.00 to $19.99	$34	$8	32%
$20.00 to $29.99	$60	$22	58%
$30.00 to $49.99	$48	$26	121%
$50.00 to $99.99	$81	$36	79%
$100.00 to $199.99	$7	$4	178%
$200.00 +	$17	$9	101%
Total	$739	$264	56%

Australia is outpacing key competitors in the growth of wine exports to mainland China and is well-placed in the imported wine market; ranked second behind France in market share, but number one in the average price of bottled wine among the five biggest exporters.

Figure 5 shows that there was growth in exports to mainland China across all price points, from entry level/commercial wines through to Australia's fine wines.

Exports are heavily weighted to more premium wines, with two-thirds of the export value priced at above $5 per litre. Furthermore, mainland China is by far the biggest destination for exports at $10 or more per litre accounting for almost half of all exports at this price point. Exports at $10 or more per litre FOB to mainland China grew by 69 per cent to $322 million. The growth at $10 or more has been even stronger in the last quarter (July to September), more than doubling compared to the same quarter a year ago. This extraordinary growth has been assisted by some products being sent to market ahead of official release.

Commentary (continued)

There has also been solid growth in entry level/commercial wines ($5 per litre and below). This reflects the increasing accessibility of imported wine in China and consumption moving away from mainly for gift-giving and official functions to personal, everyday consumption. Wine has become a mainstream beverage enjoyed by a much broader base of consumers, with it becoming a beverage of choice for informal meals and relaxing at home.

Like the overall China market, red wine dominates Australia's exports to mainland China, accounting for 95 per cent of the export value. The growth in red wine exports has been strong, up 59 per cent to $700 million. The top five red wines to mainland China each recorded growth:

- Shiraz grew by 46 per cent to $260 million
- Cabernet Sauvignon grew by 61 per cent to $132 million
- no label claim grew by 78 per cent to $85 million
- Shiraz/Cabernet Sauvignon grew by 125 per cent to $73 million, and
- Cabernet Sauvignon/Shiraz grew by 49 per cent to $50 million

Another important trend is the increasing acceptance of white wine in what is predominantly a red wine market. This is principally due to an increased number of younger Chinese people drinking wine who are more open to trying new styles. Through more frequent overseas travel, these consumers have been exposed to more wine styles and types, resulting in increased knowledge and awareness.

Australian white wines are part of this trend, with exports up 16 per cent to $27 million. Chardonnay is by far the number one white wine and exports increased by 36 per cent to $11 million. Other whites that grew include Riesling (up 40 per cent to $2 million) and Sauvignon Blanc (up 29 per cent to $1.8 million).

There were 1616 companies exporting to mainland China during the year, an increase of 341 on the previous year. Not all experienced growth; there were 1200 in growth, 2 unchanged and 414 in decline.

Exports are dispersed across the range of exporters more broadly than most other key markets. For example, Australia's five biggest exporters account for 37 per cent of exports to mainland China but 71 per cent of exports to the USA.

The 10 biggest exporters to mainland China doubled their exports over the year, while the rest grew at an average rate of 29 per cent.

ChAFTA also continues to provide incentive for Australian exporters. The tariff cuts take effect on 1 January each year until they reach zero in 2019. The current tariff rate on Australian bulk wine is 8 per cent and falls to 4 per cent on 1 January 2018. The current tariff on Australian bottled and sparkling wine is 5.6 per cent and falls to 2.8 per cent on 1 January 2018. Chile and New Zealand already have zero tariffs with mainland China, but other competitors such as France, Italy, the USA, Argentina and South Africa face a 14 per cent tariff on bottled wine and 20 per cent on bulk wine.

Wine Australia's Head of Market, China Willa Yang said, 'China is one of the most dynamic and exciting wine markets in the world and is providing enormous opportunities for premium Australian wines to find new markets and customers. With the Chinese consumer eager to learn and taste more Australian wine we are seeing a significant increase in exports above $10 per litre, which is driving the overall demand for fine Australian wine and helping to position Australia as a producer of exceptional quality products.'

Commentary (continued)

Hong Kong

In the 12 months ended September, the value of exports to Hong Kong declined by 10 per cent to $113 million and volume declined by 11 per cent to 8 million litres. Despite the decline, Hong Kong remains the fifth most valuable Australian wine export destination.

Hong Kong is a vital trading hub with important distribution links to mainland China. Some imported wines in Hong Kong 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. ChAFTA, which is reducing import tariffs for Australian wine into China over time, is impacting on Australian exports to Hong Kong. Some exports are now going direct to mainland China and this has contributed to a decline in exports to Hong Kong.

While volume and value declined, the average value of exports to Hong Kong increased by 1 per cent to $13.65 per litre FOB. Hong Kong has the highest average value among the top 50 destinations to which Australia exports, with 77 per cent of exports to Hong Kong valued at $10 or more per litre FOB. Some of Australia's finest wines are destined for the Hong Kong market.

North America

Exports to North America increased by 1 per cent to $646 million and volume increased by 13 per cent to 242 million litres. The volume growth came at the expense of price as the average value declined 11 per cent to $2.67 per litre.

The overall growth in value was due mainly to an increase in bulk wine exports, up 44 per cent to $118 million.

Bottled exports declined 6 per cent to $525 million, but exports at $10 per litre or more to the region increased by 4 per cent to $67 million.

United States

Australian exports to the USA increased by 3 per cent to $461 million and volume by 18 per cent to 181 million litres. An increase in bulk wine exports and a decline in bottled exports saw the average price of total exports to the USA fall by 13 per cent to $2.55 per litre FOB.

Bulk wine exports increased by 60 per cent to $87 million, while bottled exports declined by 5 per cent to $373 million. The decline in bottled exports was due mainly to a shift from some major brands that previously bottled in Australia to now ship in bulk containers to be bottled in-market. This saw exports at $2.50–4.99 per litre FOB fall by 10 per cent to $279 million (see figure 6). More than three-quarters of bulk wine exports to the USA are Australian brands that are bottled in-market, while it is estimated that a quarter are destined for USA-owned brands.

Figure 6: Exports to the USA by price point ($ million FOB)

Price segment (A$/litre)	Value 2017	Added value	Growth rate
$2.49 and under	$101	$41	68%
$2.50 to $4.99	$279	-$30	-10%
$5.00 to $7.49	$23	$0	2%
$7.50 to $9.99	$15	-$2	-14%
$10.00 to $14.99	$20	$3	15%
$15.00 to $19.99	$9	$1	8%
$20.00 to $29.99	$6	$0	-1%
$30.00 to $49.99	$4	$0	7%
$50.00 to $99.99	$2	$0	0%
$100.00 to $199.99	$1	$0	-5%
$200.00 +	$1	$1	440%
Total	$461	$13	3%

Commentary (continued)

Australian wine exports to the USA are heavily weighted to the commercial end, with 95 per cent of the volume priced at below $5 per litre. This is reflected in the retail figures. Australia holds a 13 per cent share of the off-trade market at US$4-7.99 per bottle according to IRI figures for 2016–17. This price point is the biggest segment of the USA off-trade market with just over a third share, but it is in decline.

In contrast, the positive trend towards Australian premium wines in the USA continued. Exports at $10 per litre or more increased by 11 per cent to $43 million. The growth in premium wine exports to the USA is also evident in retail figures. Off-trade sales figures from IRI show at US$11 or more per bottle, Australian sales grew by 20 per cent while the total sales in this segment increased by 8 per cent.

The critical issue for the Australian wine category is that it lacks penetration in the premium market, where Australia holds only a 1 per cent of the market at US$11 or more per bottle. However, this suggests there is significant upside for premium Australian wines in the USA. Recent research conducted by Wine Intelligence on behalf of Wine Australia suggests that the perceptions of Australian wine are gradually improving. The quality rating of Australian wine among regular wine consumers in the USA has increased from 7.82/10 in 2010 to 8.13/10 in 2017. Furthermore, the percentage of regular wine consumers in the USA that recognised Australia for its expensive/fine wines increased from 37 per cent in 2010 to 46 per cent in 2017. In contrast, reflecting Australia's strong position at the commercial end of the market, in 2017, 91 per cent of regular wine consumers viewed Australian wines as good value for money.

There were 251 companies exporting to the USA during the year, up from 234 the previous year. The 10 biggest exporters to the USA are driving growth, with combined exports of this group up 4 per cent to $407 million. The remaining exporters declined in aggregate by 1 per cent to $54 million.

Wine Australia Head of Market, Americas Aaron Ridgway said, 'Momentum is building behind wines that underpin the Australian category's premiumisation trend, which can be seen in the double-digit growth of exports above $10 per litre FOB in this period. Australia is building strength and sustainable positioning at premium price points through an increasingly diverse offering of regions and varieties. It all bodes well for the next 12 months and beyond.'

Torbreck Vintners USA Vice President, Americas Matt Lane said, 'Year-to-date depletions for Torbreck Vintners USA is seeing double digit growth, fuelled by the central and west zones. This sales growth is coming from focusing on our long-term channel strategy in the on-premise trade with "Cuvee Juveniles" and "The Steading" making solid headway. We have taken decisive steps forward in the luxury Barossa and Australian wine export market and we are engaged and enthusiastic to watch this growth continue into 2018.'

Canada

The value of exports to Canada declined 3 per cent to $184 million and volume was stable at 61 million litres. An increase in bulk wine exports and a decline in bottled exports was the principal factor in the decline in value. Bottled exports fell by 7 per cent to $151 million, more than offsetting a 12 per cent increase in bulk exports to $31 million.

Five provinces accounted for 98 per cent of the exports to Canada:

- Ontario (39 per cent share)
- British Columbia (23 per cent)
- Quebec (22 per cent)
- Alberta (9 per cent), and
- Nova Scotia (5 per cent).

Commentary (continued)

Exports to Quebec increased by 10 per cent. Exports to Ontario were stable at $72 million and declined to British Columbia by 15 per cent, Alberta by 2 per cent and Nova Scotia by 15 per cent.

Data from the Canadian Vintners Association shows that Quebec, at 18 million cases sold, is the biggest provincial wine market in Canada ahead of Ontario (15 million cases). As a French-speaking province, it is not surprising that French wine is the number one country of origin with a 22 per cent volume share, ahead of Italian wine (18 per cent), Canadian wines (13 per cent) and USA wines (11 per cent). Australian wine is ranked fifth with a 10 per cent share. The volume of Australian wines sales in Quebec in the 12 months ended August 2017 grew 2 per cent, matching the overall market growth rate and taking share from wines from the USA and Spain, which declined by 6 per cent and 2 per cent respectively.

Wine Australia General Manager Marketing, Stu Barclay said, ‘Wine Australia is committed to investing in the Canadian market over the next three years, and has allocated an additional full time team member into the Ontario market to support our existing team based in British Columbia. Our Canadian team are investing increased funds in category thematics, retail staff training and activating to bring key buyers into Australia to support the provincial liquor boards. Increased engagement for promotional support across all provincial liquor boards as well as within key activities, such as Vancouver International Wine Festival, will grow the awareness of the premium Australian wine category with key influencers in this strategically important wine market.’

Europe

Exports to Europe increased by 1 per cent in value to $578 million and volume declined by 2 per cent to 343 million litres. An 8 per cent increase in bottled exports and a 6 per cent decline in bulk wine exports resulted in the total average price of exports to Europe increasing by 3 per cent to $1.68 per litre FOB.

A decline in exports to the UK, the biggest export destination in Europe, was more than offset by increased exports to other destinations including Germany, the Netherlands, Finland, Belgium, Norway and Poland.

United Kingdom

More Australian wine is shipped to the UK than to any other market. In the last 12 months, 225 million litres were exported to the UK placing it ahead of the USA (181 million litres) and mainland China (132 million litres).

Australia remains the number one country of origin in the off-trade market, but is third in the on-trade behind France and Italy. According to IRI, of the top 17 brands in the UK off-trade by value, 6 are Australian.

In the last 12 months, export volume to the UK declined by 6 per cent and value by 3 per cent to $349 million. The overall value decline was due to a 13 per cent decline in bulk wine exports to $167 million more than offsetting a 9 per cent increase in bottled exports to $182 million.

There was very strong growth in Australian exports at the high-end, which was more than offset by a decline at the low-end.

This reflects the market trends that have seen wine sales in the UK off-trade grow at above £5 per bottle, while sales below this price are declining. The big volume commercial end of the UK market has seen retail consolidation resulting in reduced product ranges. Brexit is also causing uncertainty and while the subsequent appreciation of the Australian dollar (AUD) has negatively impacted on exports, the British pound (GBP) has recovered to a degree. However, the excise duty on alcohol is increasing at greater than inflation and this has had a bigger impact on the commercial end of the market compared to the premium end, resulting in some price bracket creep.

These factors contributed to a 15 per cent decline in Australian exports of commercial wines at $2.50–4.99 per litre to $89 million (see figure 7). The decline in this segment was the major influence on the overall decline in exports to the UK.

Commentary (continued)

Figure 7: Exports to the UK by price point ($ million FOB)

Price segment (A$/litre)	Value 2017	Added value	Growth rate
$2.49 and under	$193	$4	2%
$2.50 to $4.99	$89	-$16	-15%
$5.00 to $7.49	$26	$0	-1%
$7.50 to $9.99	$13	$1	7%
$10.00 to $14.99	$14	$0	-2%
$15.00 to $19.99	$5	$0	-4%
$20.00 to $29.99	$3	$0	5%
$30.00 to $49.99	$3	$0	7%
$50.00 to $99.99	$2	$1	125%
$100.00 to $199.99	$1	$0	77%
$200.00 +	$1	$0	47%
Total	$349	-$11	-3%

At the other end of the price spectrum, there was solid growth. Exports at $7.50 to $9.99 per litre increased by 7 per cent to $13 million and at $10 per litre FOB or more by 6 per cent to $28 million.

There were 336 companies exporting to the UK (6 fewer than last year). The top five exporters to the UK accounted for just under two-thirds of value but declined in aggregate by 10 per cent. The next ten biggest exporters performed particularly well, with the value of their combined exports up by 28 per cent (and an export value share of 18 per cent). The remaining 321 exporters also grew in aggregate, but by a much lower rate of 1 per cent (export market share of 19 per cent).

Other European destinations

There are encouraging signs of growth across numerous markets in Europe, but particularly in Germany, the Netherlands and Belgium. Like the UK, they are dominated by off-trade sales through the supermarkets. However, the value of exports to Germany increased by 10 per cent to $52 million, to the Netherlands by 29 per cent to $39 million and to Belgium by 11 per cent to $15 million. There is upside for Australia in each market as for wine imports, Australia ranks seventh in Germany, eighth in the Netherlands and ninth in Belgium.

Elsewhere there are heartening growth figures in:

- Finland grew 10 per cent to $17 million
- Ireland grew 3 per cent to $15 million
- Norway grew 23 per cent to $7 million
- Russia grew 10 per cent to $5 million, and
- Poland grew 39 per cent to a record $4 million.

Wine Australia’s EMEA team has just returned from the Nordic roadshow, visiting Helsinki, Copenhagen, Oslo and Stockholm, where they hosted master classes on sustainable Australia and tasting events.

Wine Australia’s Head of Market, EMEA Laura Jewell said, ‘In each monopoly market we talked with the product managers and purchasers who were all optimistic about the opportunities for Australia. In Finland, where Australia ranks sixth in the monopoly sales, we learned that wine sales are increasing and that Australian Shiraz will be a big focus in March next year, with a staff education programme in stores.

‘In Norway, there is an increased focus on health, with growth in organic and low-alcohol wines and the good life, with more people interested in premium wines. Australia ranks sixth here too.

‘In Sweden, there is a new product manager at the Systembolaget who is very keen for Australia to grow and the sales decline has bottomed out with a growth of 0.8 per cent Australia in 2016. Interestingly 7 per cent of the Australian range is organic, while other countries of origin are higher (for example, 70 per cent for Argentina). The Systembolaget has achieved its target of 10 per cent several years early and are currently at 12.4 per cent of the range certified organic. Australia is in fifth place with 8 per cent of the volume.

Commentary (continued)

'Over in Denmark Australia sits in sixth place by volume with 6.6 per cent share and is showing minor growth again after the decline in 2015. All of these markets are buoyant, keen and eager to learn more, as their economies stabilise and disposable income increases.

'The team also spent some time in Ireland, in both Dublin and Belfast and can report an optimism in both countries. Ireland is increasing its share of tourism and wine volumes have returned to the peak numbers of 2011, with sales of 9 million cases, despite having the highest duty rates in Europe. There is a definite increase in the on-trade, with more Irish consumers eating out and enjoying wine with their meals. Australia remains in second place with 17.7 per cent share behind Chile. The increase in import figures does not take into account the cross border imports via the UK.'

Rest of Asia (excluding Greater China)

The value of exports to the rest of Asia, excluding Greater China, increased by 2 per cent $242 million and volume increased by 12 per cent to 37 million litres. Half of the exports to the region are wines priced at $10 or more per litre.

There are eight destinations with exports of $5 million or more and there were mixed results among them:

- Singapore grew by 11 per cent to $69 million
- Malaysia fell by 8 per cent to $50 million
- Japan grew by 4 per cent to $47 million
- Thailand grew by 39 per cent to $21 million
- South Korea fell by 4 per cent to $14 million
- Taiwan fell by 32 per cent to $13 million
- Philippines grew by 39 per cent to $9 million, and
- Indonesia grew by 36 per cent to $5 million.

Figure 8: Australia's volume share and rank in the imported wine market in key Asian markets, 2016-17

Country	Imported market share	Rank
Singapore	19%	2
Malaysia	45%	1
Japan	5%	6
Thailand	20%	2
South Korea	6%	6
Taiwan	10%	4
Philippines	11%	3
Indonesia	25%	1

Source: Global Trade Atlas

Apart from Japan and South Korea, Australian wine is well-placed in these key Asian markets with market shares of more than 10 per cent and ranked among the top 4 countries of origin (see figure 8). In Japan and South Korea, Australia is ranked sixth, but the introduction of Free Trade Agreements with each country may provide some impetus for Australia to gain market share.

For Japan, under the Japan–Australia Economic Partnership Agreement (JAEPA), the tariff on bulk wine was immediately cut to zero and this has contributed to bulk wine exports increasing by 46 per cent to $4 million. The tariff on bottled exports will reduce to zero by 2022. The tariff reduction to date has provided a boost to the volume of bottled exports, up 5 per cent to 8 million litres, the largest volume of bottled exports in a decade. This has come at the expense of price, with the average value of bottled exports down 6 per cent to $4.97 per litre FOB. This is not unexpected as demand for commercial wines is more price sensitive. Consequently, the value of bottled exports to Japan declined by 1 per cent to $38 million.

Commentary (continued)

An interesting trend in Australian exports to Japan has been very strong growth in soft-packs and alternative packaging. Exports of wines in soft-packs grew by 31 per cent to $2.9 million and in alternative packaging such as cans by 30 per cent to $2.6 million. Japan is the largest destination for exports in soft-packs and alternative packaging with a 25 per cent share of soft-pack exports and a 40 per cent share of alternative packaging exports.

The Korea–Australia Free Trade Agreement (KAFTA) came in to force on 12 December 2014, removing a 15 per cent tariff on Australian wine and helped bring Australia to an even playing field with its competitors.

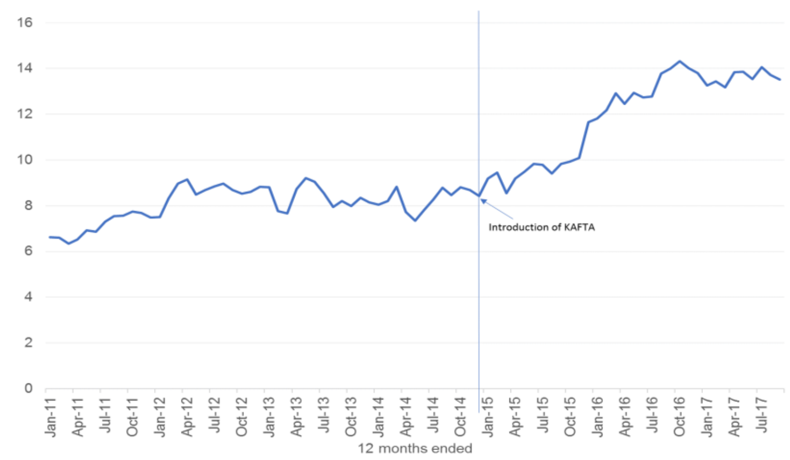
Since the introduction of KAFTA, exports to South Korea have increased from $8 million to $13.5 million (see figure 9). However, exports have plateaued over the last 12 months. But the excitement generated at trade events such as the Australian Wine Grand Tasting Seoul in September offers optimism for future growth prospects.

Wine Australia’s Head of Market, APAC Hiro Tejima said, ‘While showing varying trends for growth in the Australian wine exports to each market, generally the Asian markets present us with long-term growth opportunities. In more mature markets, this growth is linked to how wine is better understood and enjoyed as part of everyday life. In the emerging markets, we are cultivating interest in Australian wine at the same time that they are developing as wine markets.

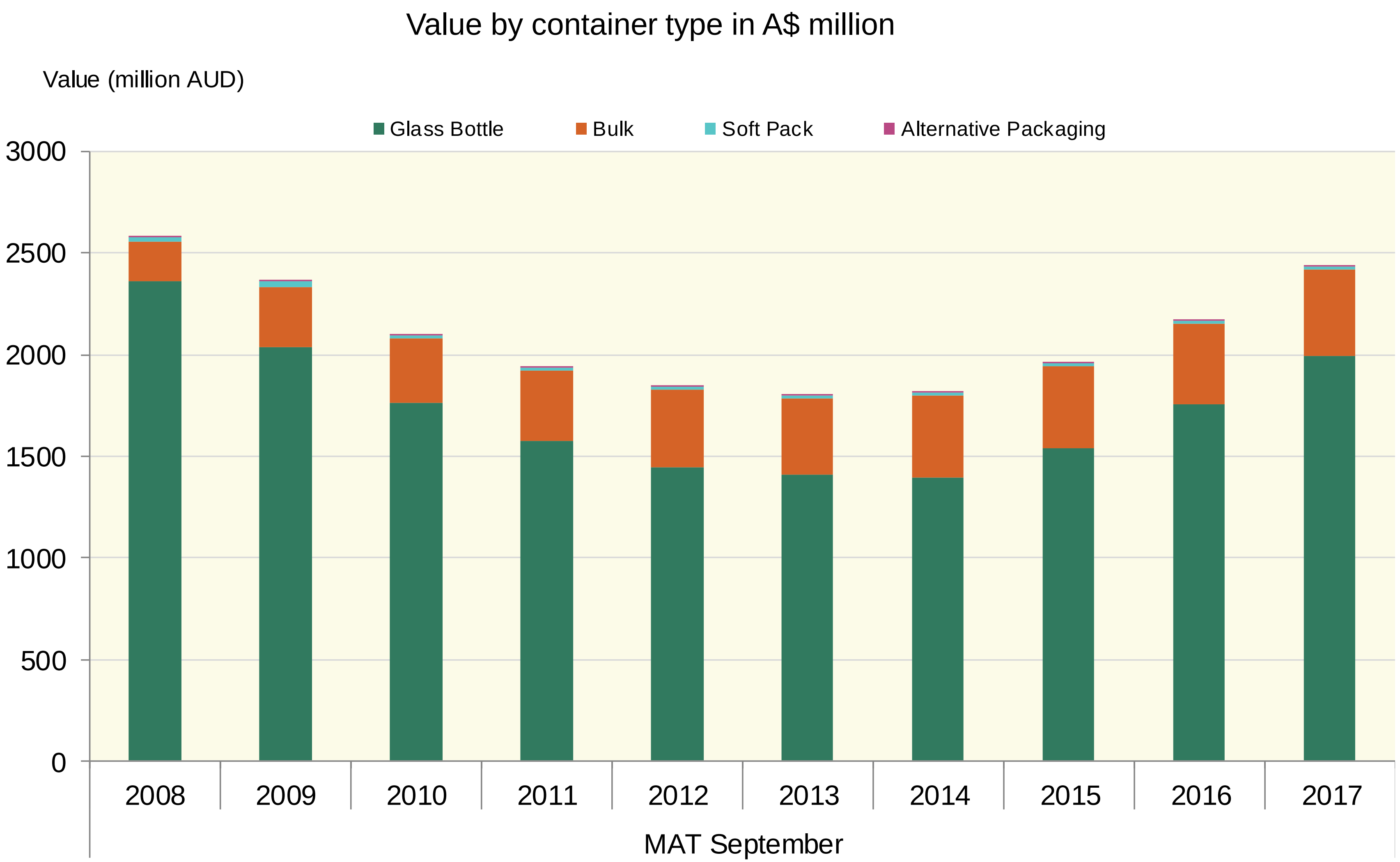
‘Through the Australian Wine Grand Tastings, we have seen a heightened level of interest in Australian wine’s regionality and styles in Japan and South Korea. This is particularly exciting for Australian wine exporters who invest time to create relationships and also to understand the intricacies of these unique markets.

‘To better engage with the emerging markets in Southeast Asia, Wine Australia will soon be introducing an in-market familiarisation and business matching roadshow targeting that region. This program will serve interested wine businesses as the first-step into these “new” markets.’

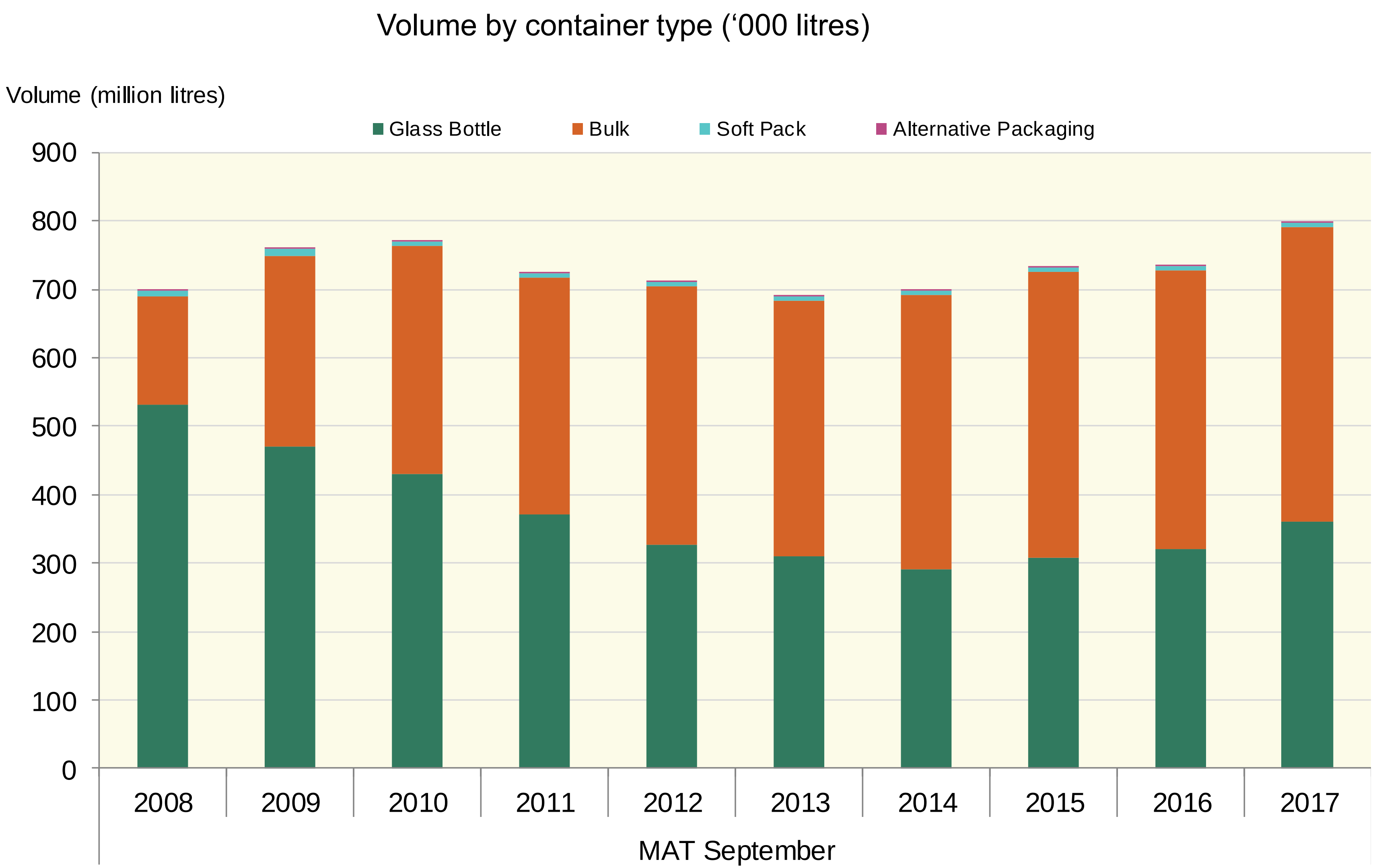
Figure 9: Value of Australia exports to South Korea pre- and post-KAFTA ($ million FOB)



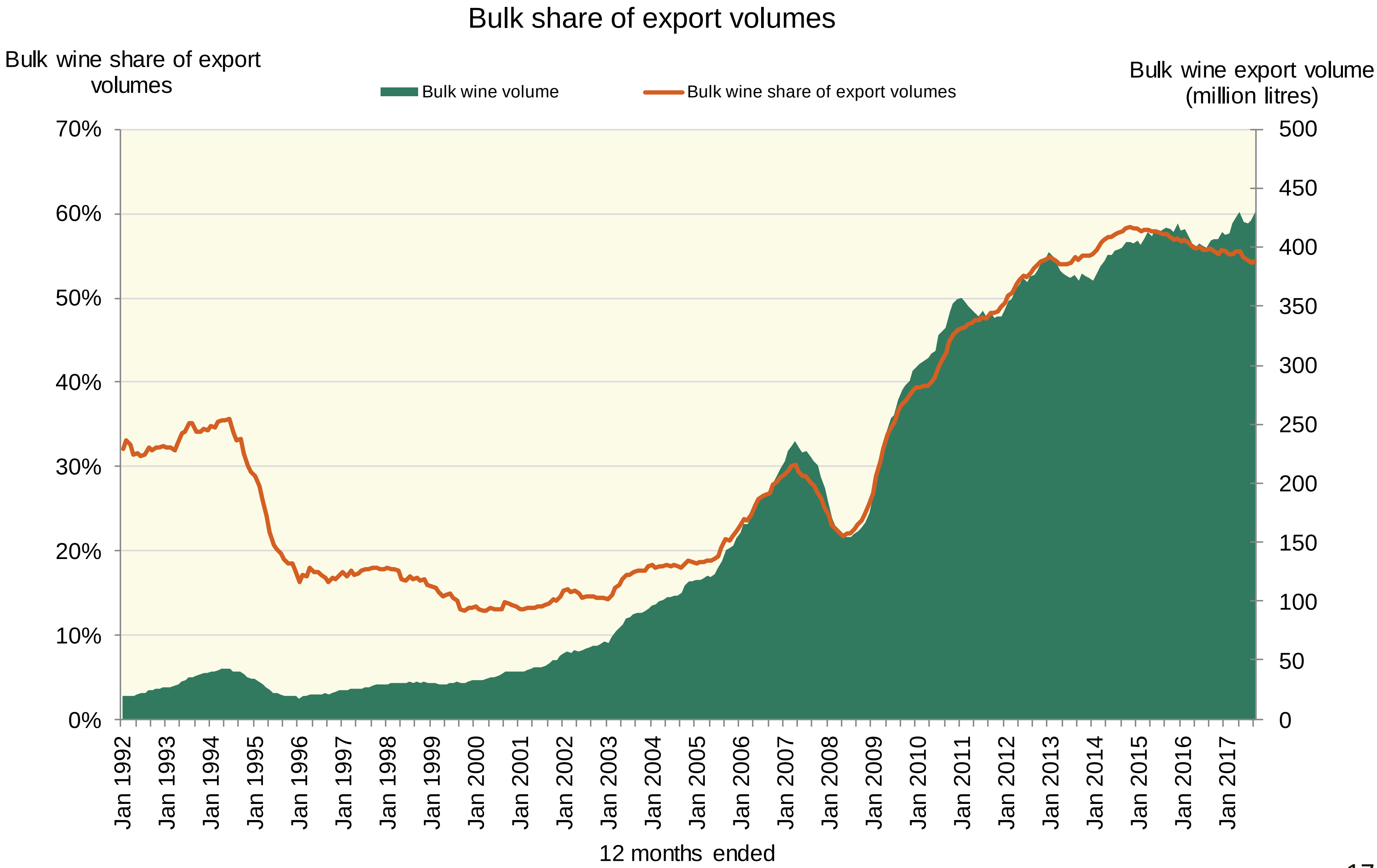
Historic overview of exports



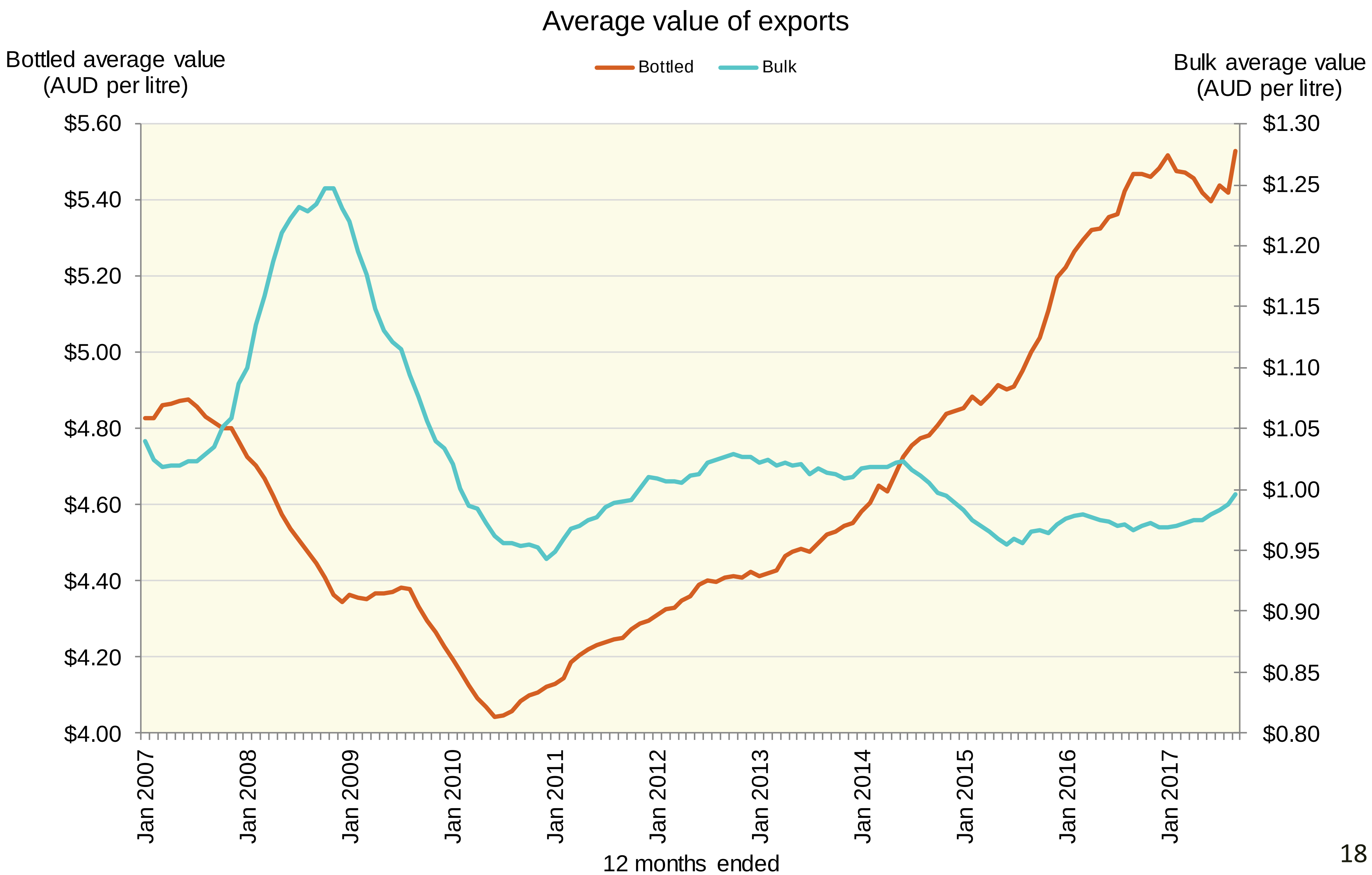
Historic overview of exports



Historic overview of exports



Historic overview of exports

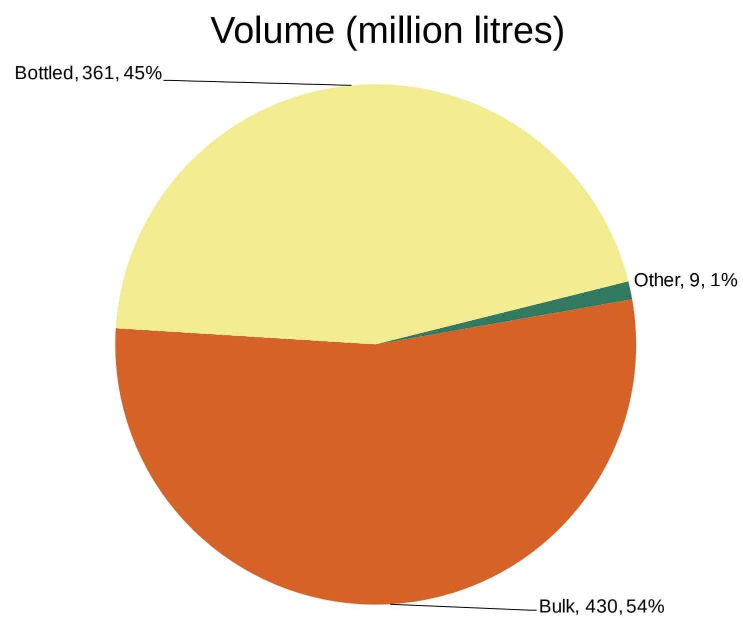


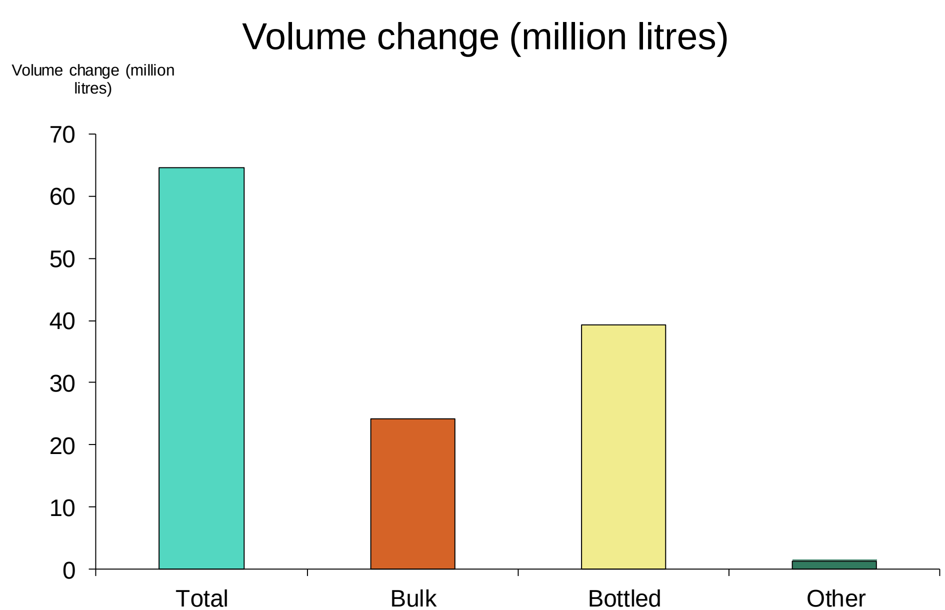
Exports by container type

MAT September 2017

		Volume (ML)	Value (A$M FOB)	Average Value (A$/L FOB)
Bottled	2017	361	1,994	5.53
	Change	12%	13%	1%
	Share	45%	82%	
Bulk	2017	430	428	1.00
	Change	6%	9%	3%
	Share	54%	18%	
Other	2017	9	20	2.30
	Change	16%	22%	5%
	Share	1%	1%	
Total	2017	799	2,442	3.06
	Change	8.8%	12.7%	4%
	Share	100%	100%	

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





Wine exports
by country, container and colour

Value for MAT September 2017

	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 2017 (A$ '000s)	Change %	MAT September 2017 (A$ '000s)	Change %	MAT September 2017 (A$ '000s)	Change %	MAT September 2017 (A$ '000s)	Change %	MAT September 2017 (A$ '000s)	Change %	MAT September 2017 (A$ '000s)	Change %	MAT September 2017 (A$ '000s)	Change %	MAT September 2017 (A$ '000s)	Change %	MAT September 2017 (A$ '000s)	Change %
China, Pr	658,683	57%	40,770	84%	809	-36%	23,640	27%	3,032	-30%	81	-6%	6,662	15%	5,640	29%	739,317	56%
United States Of America	231,727	-6%	31,104	54%	1,097	++	121,988	-13%	55,549	63%	0	-95%	4,545	2%	14,841	++	460,851	3%
United Kingdom	108,747	9%	101,227	-13%	0	-100%	68,294	12%	65,236	-15%	9	-91%	4,552	-10%	996	-25%	349,061	-3%
Canada	105,042	-6%	16,064	31%	621	6%	39,914	-10%	14,931	-3%	1,603	++	3,624	4%	2,297	56%	184,097	-3%
Hong Kong	102,648	-11%	0	-100%	1,372	26%	6,949	2%	0	na	297	6%	1,157	13%	800	-10%	113,223	-10%
New Zealand	47,508	3%	5,479	-2%	673	-18%	7,603	-6%	6,858	-10%	372	-26%	4,173	-16%	2,754	28%	75,421	-1%
Singapore	54,274	11%	0	na	405	-6%	7,340	18%	0	na	106	-29%	6,622	10%	751	-2%	69,499	11%
Germany, Federal Republic	17,811	-9%	17,064	42%	0	na	3,575	34%	13,350	5%	0	na	123	-5%	55	++	51,978	10%
Malaysia	47,338	-8%	0	na	22	-93%	2,529	-11%	0	na	3	-89%	195	24%	254	-6%	50,340	-8%
Japan	19,240	-4%	2,276	55%	2,402	28%	10,408	-10%	1,495	34%	1,091	66%	5,479	21%	4,385	23%	46,778	4%
Netherlands	15,081	10%	3,864	19%	0	na	13,304	58%	4,408	45%	0	na	975	9%	1,067	35%	38,700	29%
Denmark	9,474	-7%	5,139	-2%	0	na	3,061	-28%	2,819	26%	0	na	620	-30%	660	++	21,772	-5%
Thailand	13,837	41%	545	16%	1,256	81%	3,943	44%	113	2%	451	96%	931	-11%	149	12%	21,225	39%
Sweden	11,100	-8%	2,588	-17%	0	na	5,484	-14%	1,401	++	0	na	438	-55%	14	-66%	21,025	-9%
United Arab Emirates	11,016	5%	31	-97%	664	27%	5,590	36%	0	na	467	33%	927	-27%	575	60%	19,270	5%
Finland	6,899	16%	2,797	12%	0	na	2,496	2%	2,956	6%	0	na	1,108	-1%	465	27%	16,721	10%
Ireland	8,637	2%	0	-100%	0	na	6,394	2%	62	na	0	na	201	++	93	30%	15,387	3%
Belgium	4,163	2%	2,963	-7%	0	na	4,041	52%	3,263	12%	0	na	366	-34%	130	31%	14,927	11%
Korea, R	9,719	-8%	0	na	869	52%	2,172	-13%	0	na	36	22%	460	49%	253	++	13,509	-4%
Italy	272	-26%	10,102	6%	0	na	113	-44%	2,447	-12%	0	na	2	++	0	na	12,934	0%
Rest of the world	68,953	0%	4,911	10%	1,830	-11%	20,882	16%	2,628	8%	1,435	8%	3,006	-22%	2,738	44%	106,384	3%
World	1,552,170	16%	246,924	11%	12,020	17%	359,723	0%	180,547	7%	5,951	32%	46,167	-1%	38,919	89%	2,442,421	13%

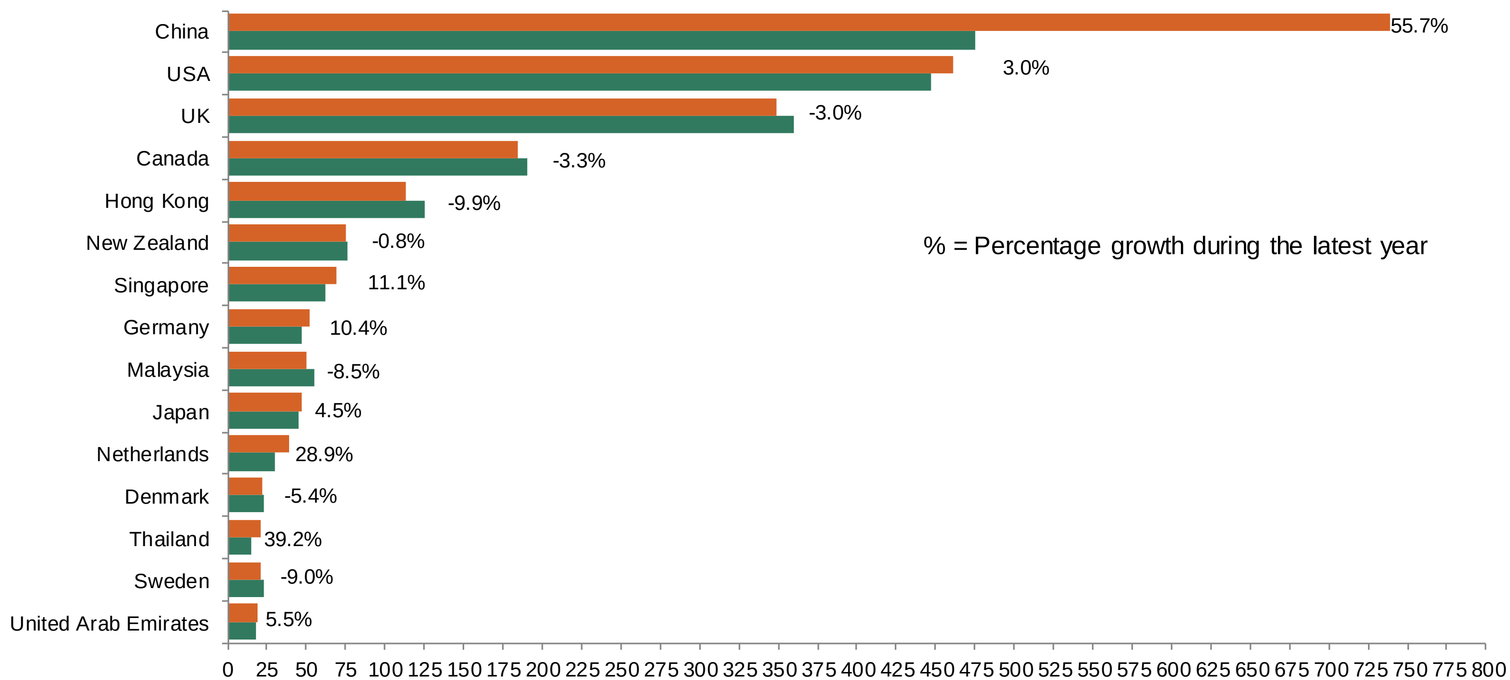
Wine exports
by country, container and colour

Volume for MAT September 2017

	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 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %
United Kingdom	24,865	16%	101,632	-8%	0	-100%	20,900	25%	77,058	-13%	1	-97%	1,085	-8%	259	-15%	225,799	-6%
United States Of America	56,008	-6%	23,833	63%	325	++	34,946	-10%	60,747	56%	0	-98%	798	6%	4,137	++	180,794	18%
China, Pr	92,758	47%	30,817	75%	362	-33%	3,750	22%	2,280	-51%	42	0%	1,183	14%	921	32%	132,113	46%
Canada	17,196	-4%	16,982	24%	187	15%	8,806	-10%	16,374	-9%	369	47%	634	2%	442	65%	60,990	0%
Germany, Federal Republic	4,965	-3%	16,046	20%	0	na	1,597	35%	15,895	-5%	0	na	11	-2%	8	++	38,522	6%
New Zealand	9,016	1%	4,897	-15%	355	-14%	2,244	2%	8,927	-14%	201	-26%	849	-24%	651	20%	27,141	-8%
Netherlands	4,186	12%	3,902	8%	0	na	4,118	60%	5,181	36%	0	na	245	7%	334	45%	17,965	27%
Japan	3,645	3%	1,511	14%	1,416	28%	2,100	-9%	1,561	35%	603	37%	1,184	45%	913	20%	12,934	13%
Denmark	1,478	-16%	5,379	-8%	0	na	736	-27%	3,607	18%	0	na	130	-26%	176	++	11,506	-3%
Italy	77	-13%	8,632	2%	0	na	30	-42%	2,220	-10%	0	na	0	++	0	na	10,959	-1%
Belgium	722	5%	2,960	-9%	0	na	910	36%	4,001	12%	0	na	87	-9%	27	++	8,708	5%
Hong Kong	6,414	-14%	0	-100%	556	27%	989	0%	0	na	129	2%	131	3%	76	-15%	8,295	-11%
Finland	1,110	14%	2,022	2%	0	na	504	-2%	2,918	-1%	0	na	220	10%	111	39%	6,885	3%
Sweden	2,343	-2%	1,600	-18%	0	na	1,535	-1%	810	99%	0	na	88	-56%	1	-90%	6,377	-2%
Singapore	3,802	15%	0	na	217	-7%	972	19%	0	na	58	-15%	635	11%	75	-1%	5,759	14%
Thailand	2,316	68%	420	3%	677	69%	966	61%	120	0%	268	++	135	2%	33	-4%	4,935	54%
Ireland	2,200	2%	0	-100%	0	na	2,020	9%	52	na	0	na	58	++	11	-46%	4,341	7%
Malaysia	3,624	-6%	0	na	12	-94%	465	-8%	0	na	2	-90%	34	87%	42	-2%	4,179	-10%
France	207	27%	1,783	-18%	0	na	66	-10%	2,080	11%	0	na	1	++	0	-100%	4,136	-4%
United Arab Emirates	1,236	-3%	26	-86%	408	21%	920	12%	0	na	318	30%	183	-29%	167	53%	3,256	1%
Rest of the world	12,527	13%	2,327	7%	1,243	4%	4,760	14%	936	-13%	711	11%	576	-15%	654	58%	23,735	11%
World	250,696	14%	224,768	8%	5,759	14%	93,333	3%	204,767	4%	2,702	19%	8,269	0%	9,037	++	799,331	9%

Exports by top 15 destinations

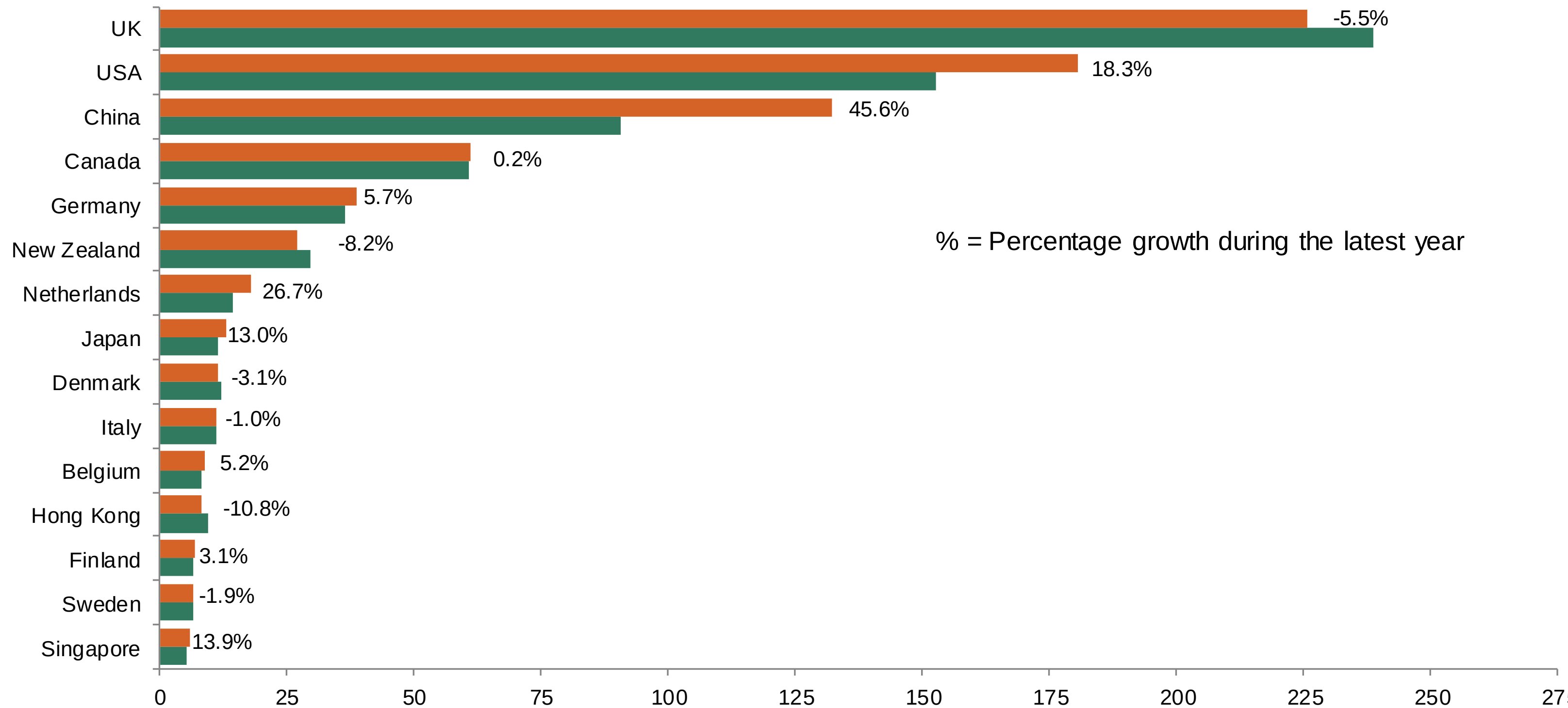
Value (million A$) for MAT September 2017



	United Arab Emirates	Sweden	Thailand	Denmark	Netherlands	Japan	Malaysia	Germany	Singapore	New Zealand	Hong Kong	Canada	UK	USA	China
2017	19.3	21.0	21.2	21.8	38.7	46.8	50.3	52.0	69.5	75.4	113.2	184.1	349.1	460.9	739.3
2016	18.3	23.1	15.3	23.0	30.0	44.8	55.0	47.1	62.5	76.0	125.7	190.5	359.7	447.5	474.9

Exports
by top 15 destinations

Volume (million litres) for MAT September 2017

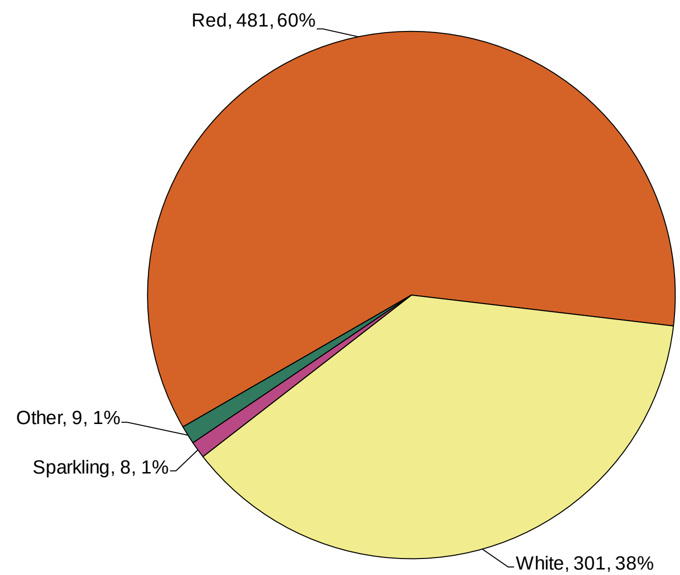


	Singapore	Sweden	Finland	Hong Kong	Belgium	Italy	Denmark	Japan	Netherlands	New Zealand	Germany	Canada	China	USA	UK
2017	5.8	6.4	6.9	8.3	8.7	11.0	11.5	12.9	18.0	27.1	38.5	61.0	132.1	180.8	225.8
2016	5.1	6.5	6.7	9.3	8.3	11.1	11.9	11.4	14.2	29.6	36.4	60.9	90.7	152.9	239.0

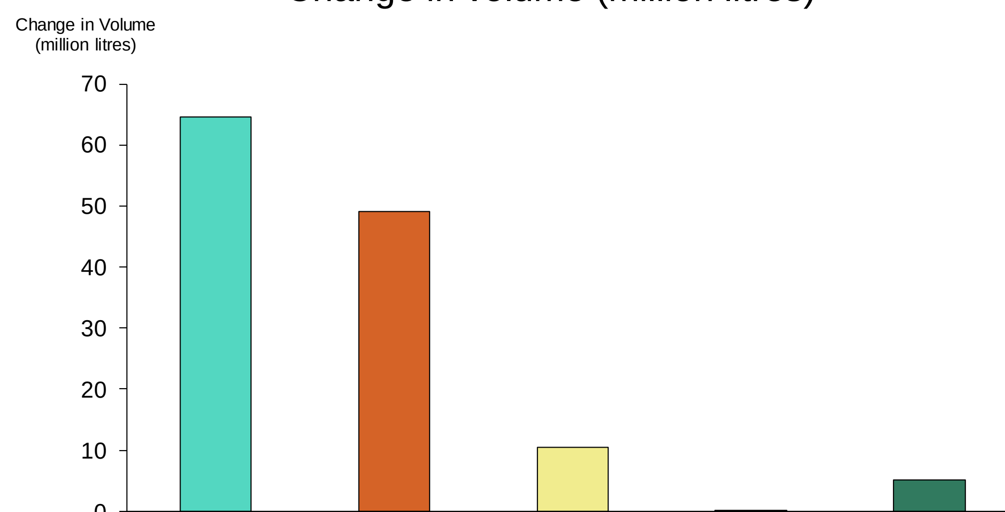
Exports by colour/ wine style

MAT September 2017

Volume (million litres)



Change in volume (million litres)



	Total exports	Red	White	Sparkling	Other
% change	9%	11.4%	3.6%	0.4%	127%
Vol change	64.7	49.1	10.4	0.0	5.0

Bottled wine exports report

Bottled exports by price point and destination	26
Bottled exports by colour/wine style	28
Bottled exports by top 15 destinations	31
Bottled exports by top 15 varietals	34
Bottled exports by top 15 GI regions	38
Bottled exports by price point	42

Bottled exports by price point and destination

Value ('000 A$) for MAT September 2017

	$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 2017 ('000 AUD)	Change %	MAT September 2017 ('000 AUD)	Change %	MAT September 2017 ('000 AUD)	Change %	MAT September 2017 ('000 AUD)	Change %	MAT September 2017 ('000 AUD)	Change %	MAT September 2017 ('000 AUD)	Change %	MAT September 2017 ('000 AUD)	Change %	MAT September 2017 ('000 AUD)	Change %
China	11,172	53%	194,596	43%	115,443	53%	51,898	38%	107,843	46%	108,888	81%	104,743	87%	694,582	55%
USA	17,263	79%	274,891	-10%	23,232	2%	14,393	-14%	28,887	13%	10,841	2%	3,593	25%	373,101	-5%
UK	32,912	297%	83,322	-11%	25,814	-3%	12,616	3%	18,234	-2%	6,244	6%	3,263	87%	182,406	9%
Canada	3,731	1112%	45,851	-11%	57,235	-4%	20,124	-19%	20,715	0%	2,375	-10%	657	-65%	150,688	-7%
New Zealand	1,652	1081%	27,972	-2%	17,476	-6%	6,729	8%	5,989	-4%	1,230	-7%	922	138%	61,971	1%
Netherlands	3,985	3662%	21,821	19%	2,698	-27%	675	34%	892	10%	227	8%	90	82%	30,388	28%
Hong Kong	60	-24%	10,587	14%	8,608	-38%	5,555	-30%	20,534	1%	21,011	22%	45,198	-19%	111,554	-10%
Japan	645	73%	19,948	5%	5,771	8%	4,402	-12%	4,640	-16%	1,801	-17%	356	-37%	37,562	-1%
Germany	5,873	8%	8,279	-17%	2,161	10%	1,609	-8%	2,478	23%	871	12%	292	-26%	21,564	-3%
Singapore	234	-6%	6,845	36%	3,895	-17%	4,013	-6%	21,292	5%	12,615	69%	20,059	1%	68,953	11%
Ireland	2,317	61%	9,521	-8%	1,617	-21%	1,113	79%	448	20%	249	208%	61	345%	15,325	3%
Malaysia	226	275%	4,796	12%	8,069	17%	2,021	-25%	7,867	-60%	11,454	119%	15,880	2%	50,312	-8%
Sweden	1,335	149%	9,058	-7%	2,537	-45%	2,702	-8%	1,046	-5%	282	-25%	76	-31%	17,037	-13%
Thailand	413	39%	8,234	74%	2,244	71%	1,737	-2%	3,160	-7%	1,279	92%	1,794	15%	18,860	37%
Denmark	676	176%	4,144	-16%	2,488	-43%	2,975	11%	2,350	7%	805	-17%	376	116%	13,814	-11%
United Arab Emirat	46	-56%	5,580	-3%	2,200	37%	1,476	-22%	3,394	35%	2,167	-18%	3,068	94%	17,931	11%
Philippines	86	254%	5,947	33%	1,503	64%	335	-6%	839	22%	255	18%	466	299%	9,432	39%
Finland	236	1345%	3,737	-2%	2,590	17%	1,923	-18%	2,184	67%	292	127%	6	-89%	10,969	11%
Korea, R	222	-61%	2,267	8%	4,477	29%	1,206	12%	2,883	-20%	1,340	-19%	202	-78%	12,597	-6%
Belgium	607	265%	4,075	35%	1,299	-2%	764	-5%	1,284	-9%	550	16%	121	-34%	8,701	18%
Other	1,382	22%	34,603	16%	13,217	15%	7,828	-11%	16,012	4%	7,774	15%	5,553	-56%	86,369	0%
Total	85,075	133%	786,077	4%	304,572	12%	146,096	2%	272,970	11%	192,551	51%	206,775	20%	1,994,115	13%

Bottled exports by price point and destination

Volume ('000 litres) for MAT September 2017

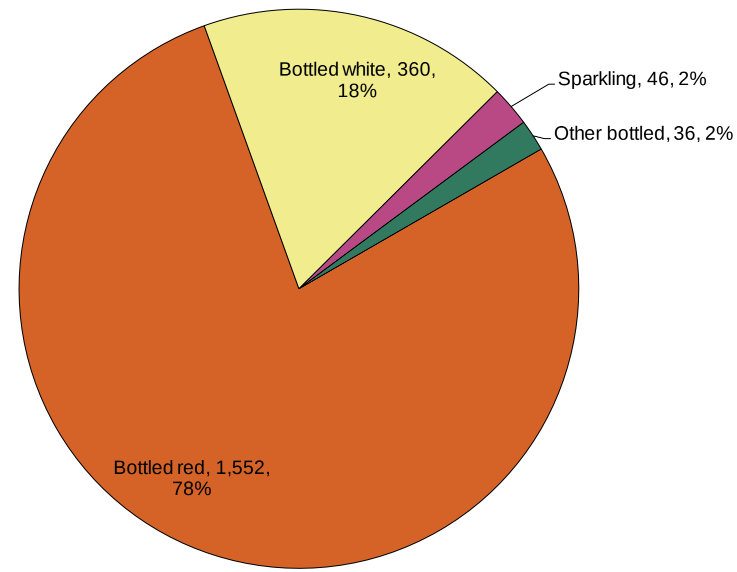
	$2.49 and under		$2.50 to $4.99		$5.00 to $7.49		$7.50 to $9.99		$10.00 to $19.99		$20.00 to $49.99		$50.00 and above		Total	
	MAT September 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %
China	5,150	50%	54,331	41%	19,570	53%	6,039	36%	8,232	48%	3,973	79%	1,293	73%	98,588	45%
USA	7,259	79%	80,232	-8%	4,076	4%	1,615	-16%	2,264	15%	403	2%	40	7%	95,889	-3%
UK	14,592	303%	24,857	-12%	4,364	-2%	1,457	4%	1,450	-1%	217	4%	32	105%	46,969	19%
Canada	1,564	1043%	11,827	-14%	9,526	-5%	2,331	-20%	1,708	0%	84	-12%	9	-56%	27,048	-6%
New Zealand	721	611%	7,805	-4%	2,876	-8%	763	9%	465	-5%	44	-8%	12	191%	12,687	1%
Netherlands	1,951	4011%	6,295	6%	472	-22%	78	34%	71	8%	8	5%	1	64%	8,876	32%
Hong Kong	26	-53%	2,708	9%	1,418	-40%	642	-28%	1,624	2%	761	26%	432	-36%	7,610	-12%
Japan	291	71%	5,369	7%	965	6%	510	-13%	349	-16%	66	-12%	5	-26%	7,554	5%
Germany	3,644	15%	2,184	-9%	348	9%	180	-13%	193	19%	29	12%	2	-30%	6,581	4%
Singapore	110	-9%	1,785	37%	640	-14%	471	-3%	1,711	13%	483	80%	278	-10%	5,478	15%
Ireland	1,148	88%	2,702	-9%	268	-21%	122	73%	38	20%	10	223%	1	208%	4,289	6%
Malaysia	101	269%	1,298	11%	1,350	13%	238	-24%	515	-61%	497	171%	165	-31%	4,164	-6%
Sweden	552	147%	2,603	-4%	410	-47%	308	-9%	83	-8%	10	-28%	1	-20%	3,967	-4%
Thailand	194	47%	2,383	86%	354	72%	202	0%	238	-14%	50	91%	28	8%	3,450	61%
Denmark	322	212%	1,235	-24%	415	-43%	339	8%	176	5%	28	-14%	4	106%	2,521	-15%
United Arab Emirat	23	-55%	1,508	-5%	363	35%	178	-23%	259	42%	74	-14%	35	119%	2,440	1%
Philippines	40	253%	1,603	30%	259	67%	38	-8%	68	28%	10	20%	5	183%	2,023	35%
Finland	114	1646%	993	-2%	407	12%	226	-16%	191	79%	14	161%	0	-98%	1,945	10%
Korea, R	91	-61%	618	15%	800	32%	145	13%	221	-20%	47	-9%	3	-67%	1,925	5%
Belgium	287	322%	1,031	9%	215	-5%	90	-5%	102	-8%	20	36%	2	-40%	1,747	20%
Other	621	15%	9,536	18%	2,234	13%	903	-11%	1,255	5%	285	23%	65	-61%	14,899	13%
Total	38,804	129%	222,904	3%	51,330	11%	16,876	2%	21,215	13%	7,112	55%	2,410	5%	360,652	12%

Bottled exports by colour/ wine style

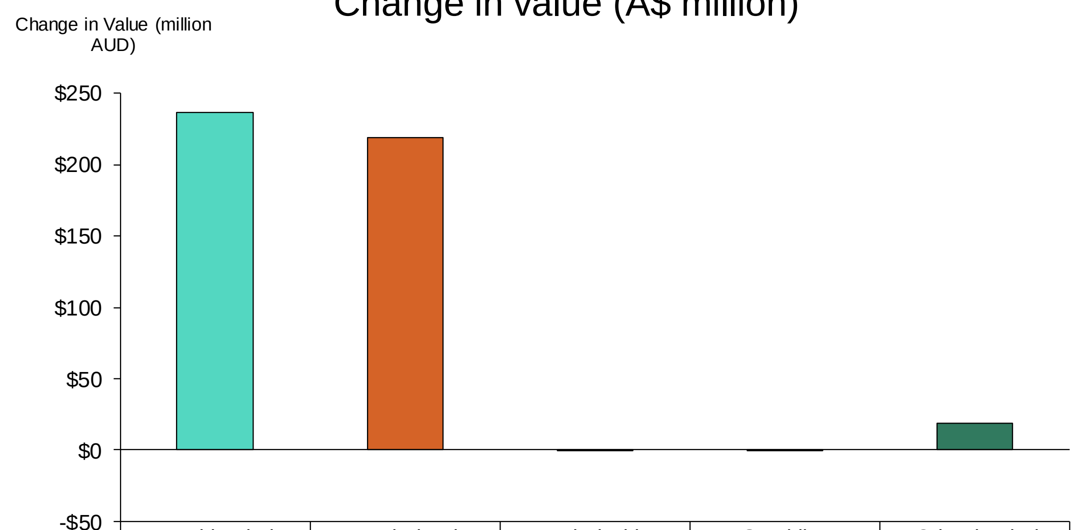
Value

MAT September 2017

Value (A$ million)



Change in value (A$ million)

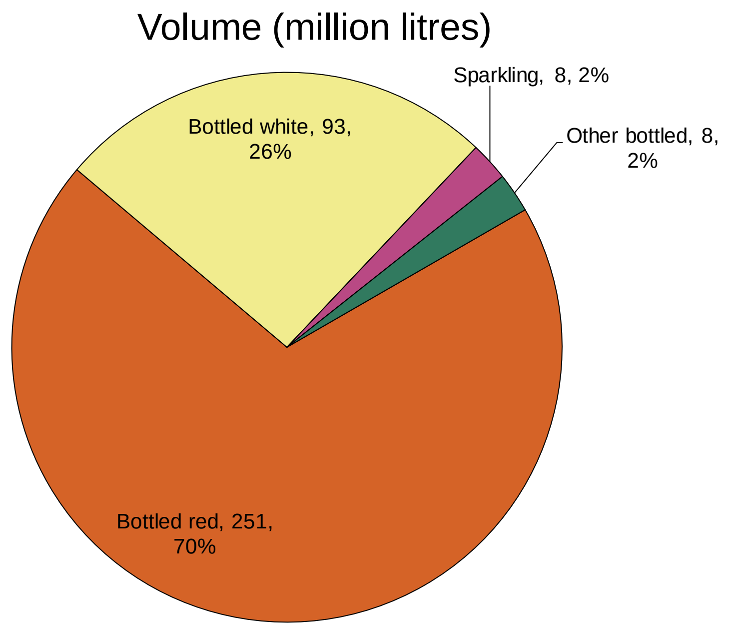


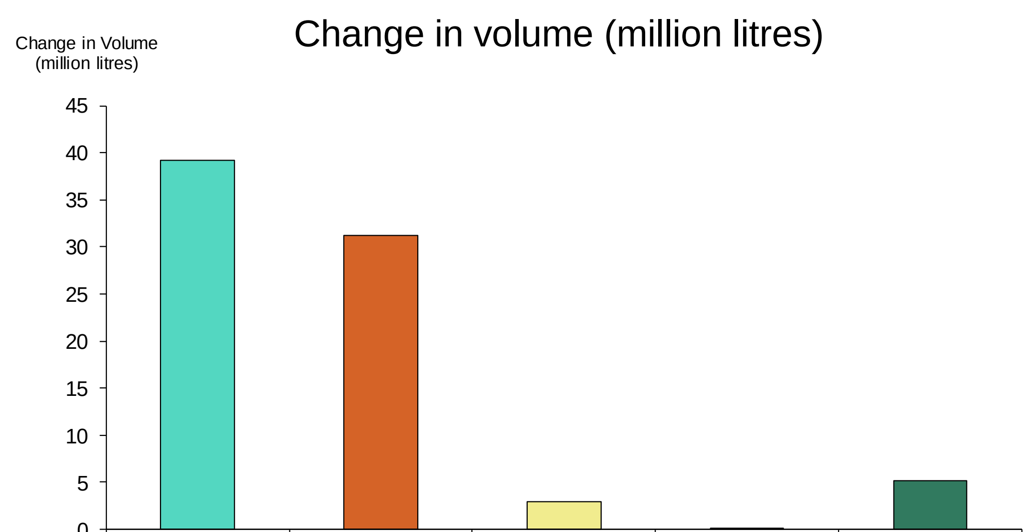
	Total bottled	Bottled red	Bottled white	Sparkling	Other bottled
% change	13.4%	16.4%	-0.1%	-1.2%	102.4%
Vol change	236.2	218.8	-0.4	-0.6	18.4

Bottled exports by colour/ wine style

Volume

MAT September 2017



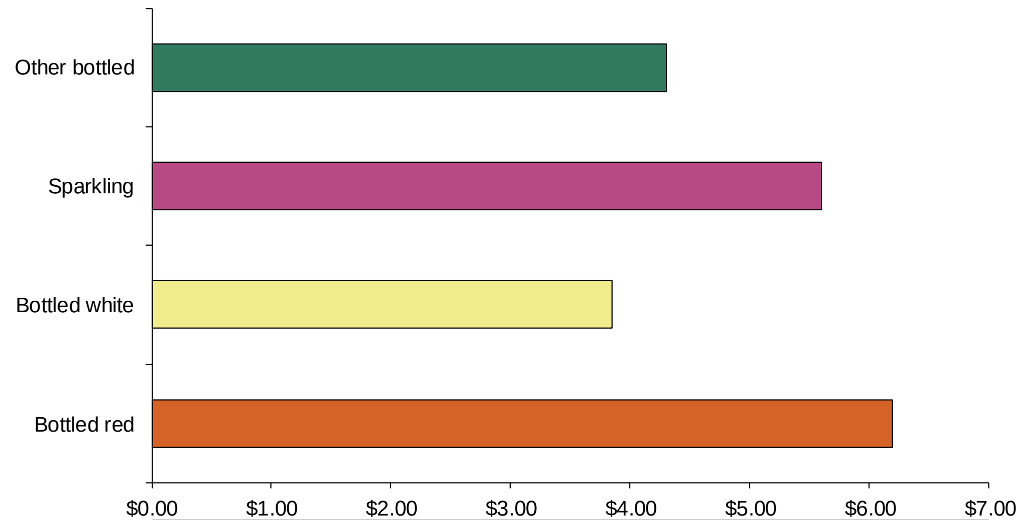


	Total bottled	Bottled red	Bottled white	Sparkling	Other bottled
% change	12.2%	14.2%	3.2%	0.6%	154.2%
Vol change	39.2	31.2	2.9	0.1	5.1

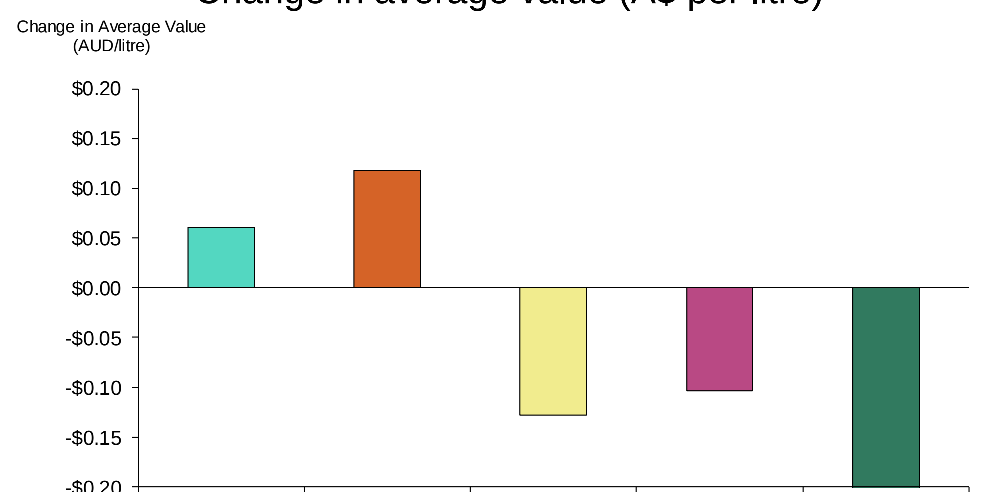
Bottled exports by colour/ wine style

Average value

MAT September 2017



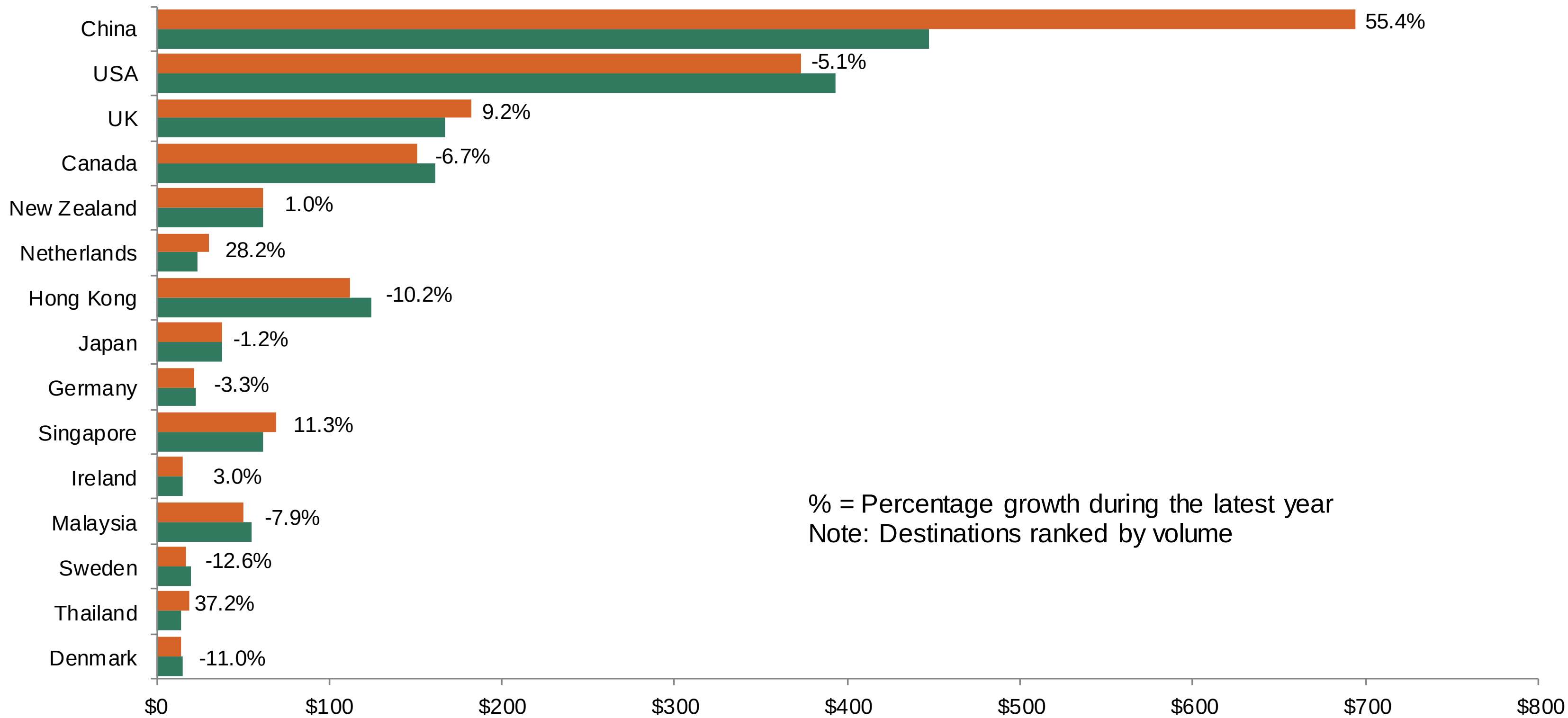
	Bottled red	Bottled white	Sparkling	Other bottled
2017	$6.19	$3.85	$5.60	$4.31



	Total bottled	Bottled red	Bottled white	Sparkling	Other bottled
% change	1.1%	1.9%	-3.2%	-1.8%	-20.4%
Av. Val change	$0.06	$0.12	-$0.13	-$0.10	-$1.10

Bottled exports by top 15 destinations

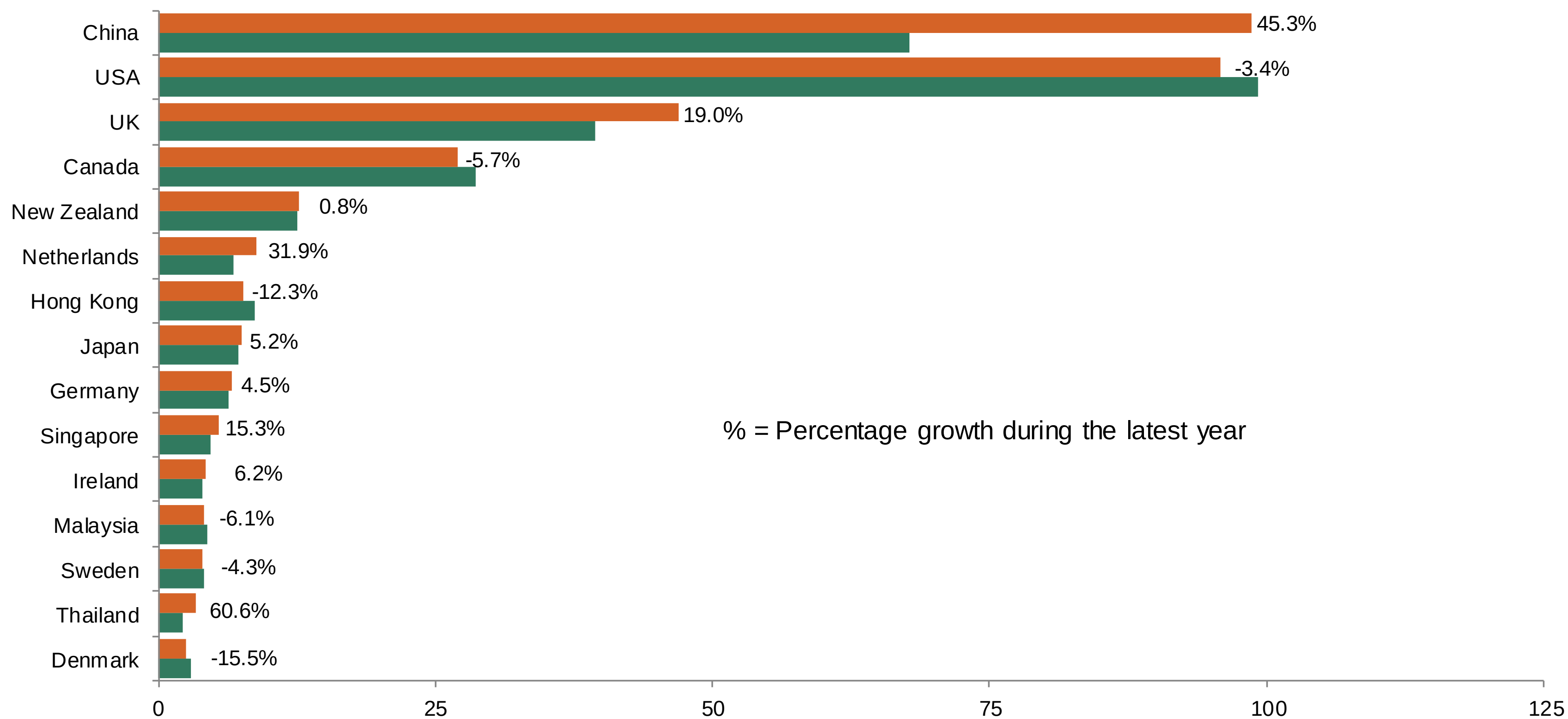
Value (million A$) for MAT September 2017



	Denmark	Thailand	Sweden	Malaysia	Ireland	Singapore	Germany	Japan	Hong Kong	Netherlands	New Zealand	Canada	UK	USA	China
2017	13.8	18.9	17.0	50.3	15.3	69.0	21.6	37.6	111.6	30.4	62.0	150.7	182.4	373.1	694.6
2016	15.5	13.7	19.5	54.6	14.9	61.9	22.3	38.0	124.3	23.7	61.4	161.4	167.0	393.1	447.0

Bottled exports by top 15 destinations

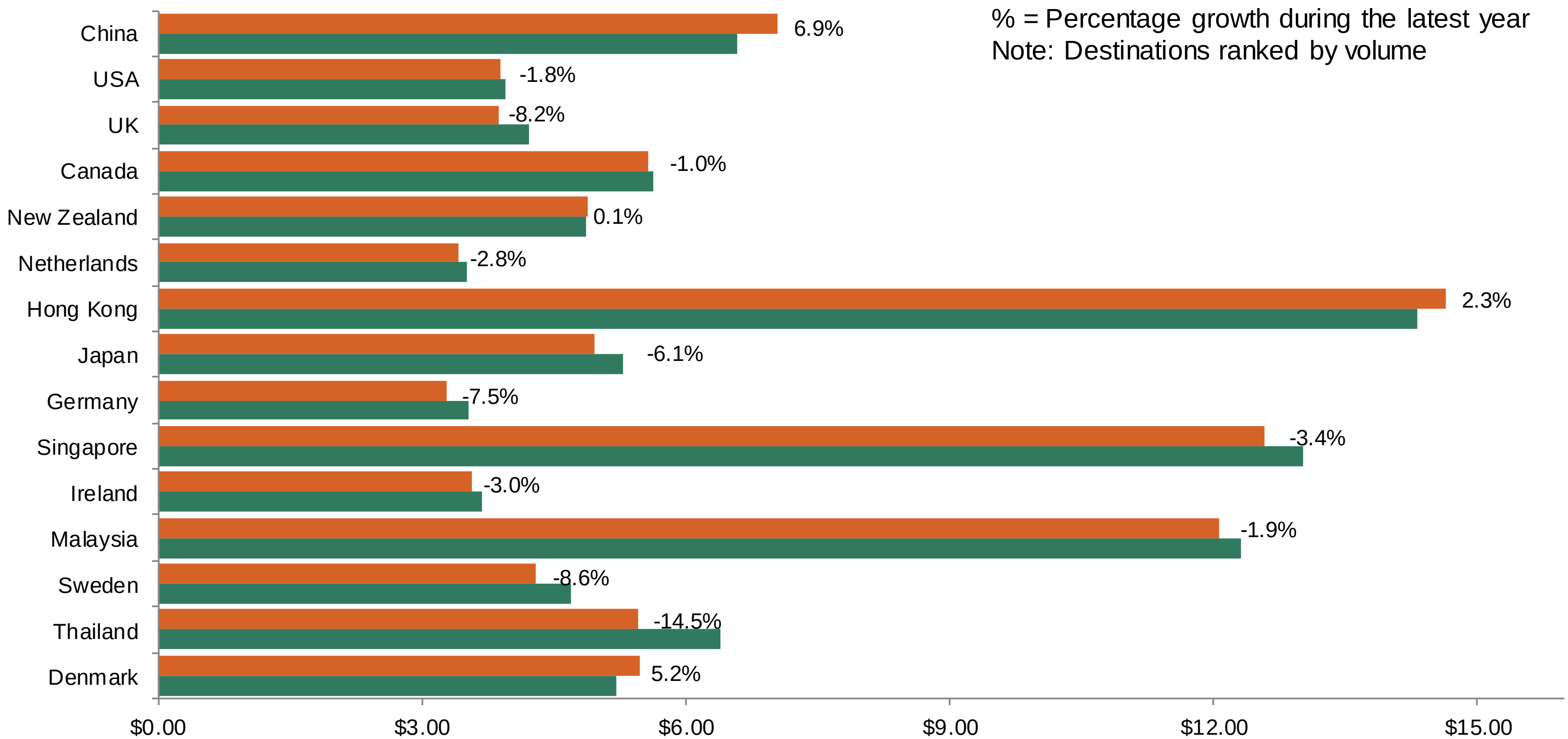
Volume (million litres) for MAT September 2017



	Denmark	Thailand	Sweden	Malaysia	Ireland	Singapore	Germany	Japan	Hong Kong	Netherlands	New Zealand	Canada	UK	USA	China
2017	2.5	3.4	4.0	4.2	4.3	5.5	6.6	7.6	7.6	8.9	12.7	27.0	47.0	95.9	98.6
2016	3.0	2.1	4.1	4.4	4.0	4.8	6.3	7.2	8.7	6.7	12.6	28.7	39.5	99.2	67.8

Bottled exports by top 15 destinations

Average value (A$ per litre) for MAT September 2017



	Denmark	Thailand	Sweden	Malaysia	Ireland	Singapore	Germany	Japan	Hong Kong	Netherlands	New Zealand	Canada	UK	USA	China
2017	$5.48	$5.47	$4.29	$12.08	$3.57	$12.59	$3.28	$4.97	$14.66	$3.42	$4.88	$5.57	$3.88	$3.89	$7.05
2016	$5.21	$6.40	$4.70	$12.32	$3.68	$13.04	$3.54	$5.30	$14.32	$3.52	$4.88	$5.63	$4.23	$3.96	$6.59

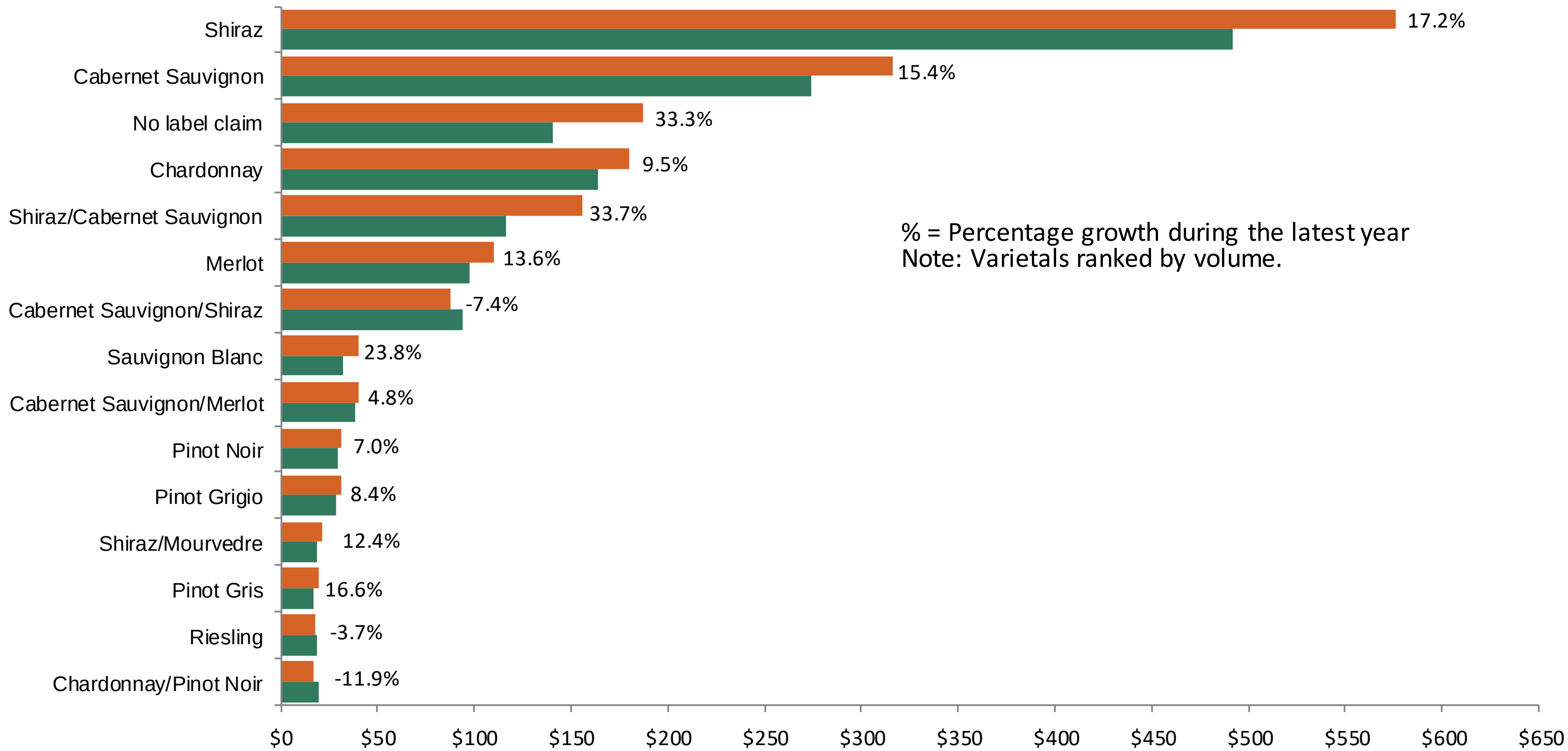
Bottled exports
by top 15 varietal label claims

MAT September 2017

Top 15 varietal label claims	Volume (million litres)		Value (A$ million FOB)		Average value ($A per litre FOB)	
	2017	Change	2017	Change	2017	Change
Shiraz	84.21	13%	576.26	17%	6.84	3%
Cabernet Sauvignon	50.41	15%	316.61	15%	6.28	0%
No label claim	36.82	29%	187.02	33%	5.08	3%
Chardonnay	48.85	15%	179.78	9%	3.68	-5%
Shiraz/Cabernet Sauvignon	31.66	19%	155.59	34%	4.92	12%
Merlot	28.56	14%	110.57	14%	3.87	-1%
Cabernet Sauvignon/Shiraz	4.68	0%	87.38	-7%	18.68	-7%
Sauvignon Blanc	11.52	39%	40.27	24%	3.50	-11%
Cabernet Sauvignon/Merlot	8.77	4%	40.25	5%	4.59	1%
Pinot Noir	5.95	4%	31.71	7%	5.33	3%
Pinot Grigio	8.69	12%	31.44	8%	3.62	-3%
Shiraz/Mourvedre	1.16	-16%	21.42	12%	18.41	33%
Pinot Gris	6.24	28%	19.96	17%	3.20	-9%
Riesling	3.31	-3%	17.80	-4%	5.38	0%
Chardonnay/Pinot Noir	3.16	-8%	17.28	-12%	5.46	-4%

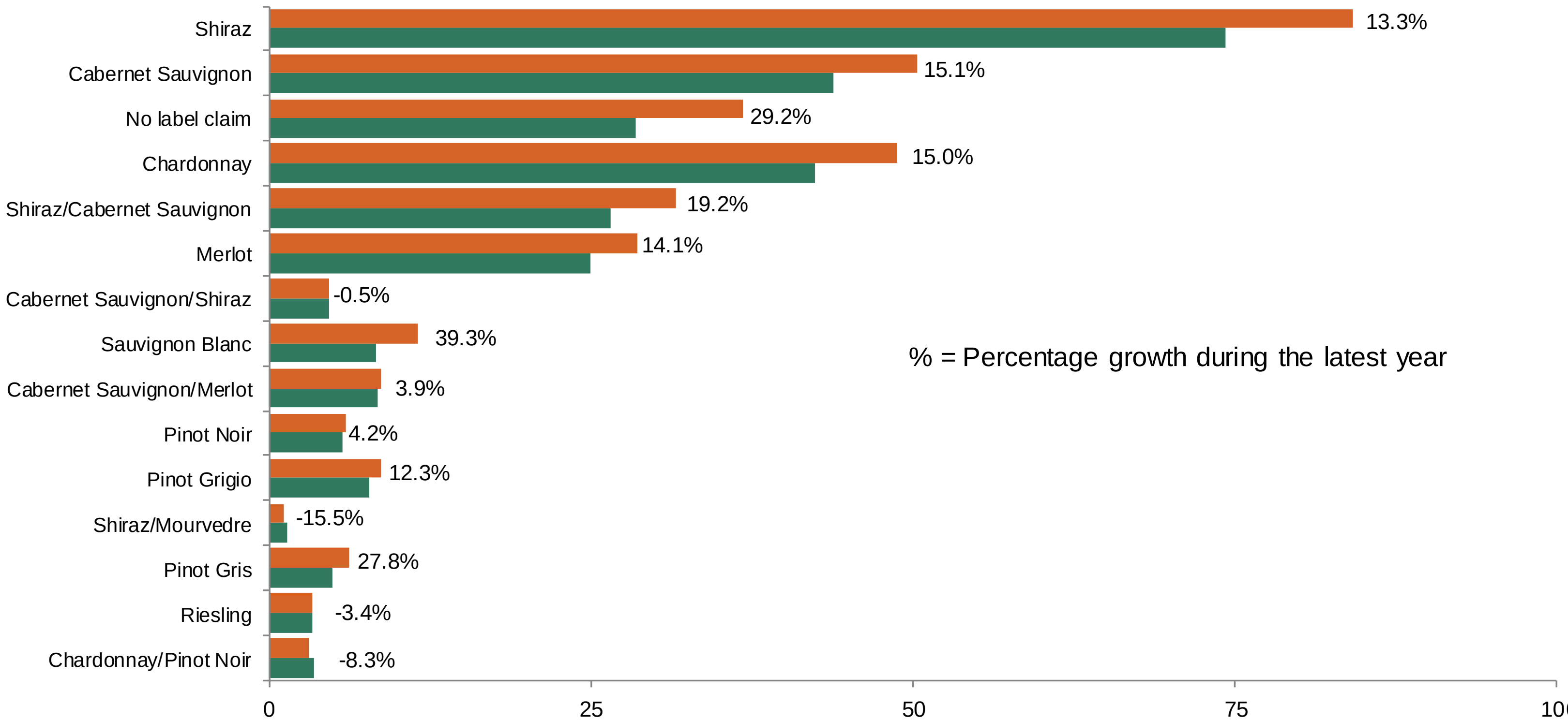
Bottled exports
by top 15 varietal label claims

Value (million A$) for MAT September 2017



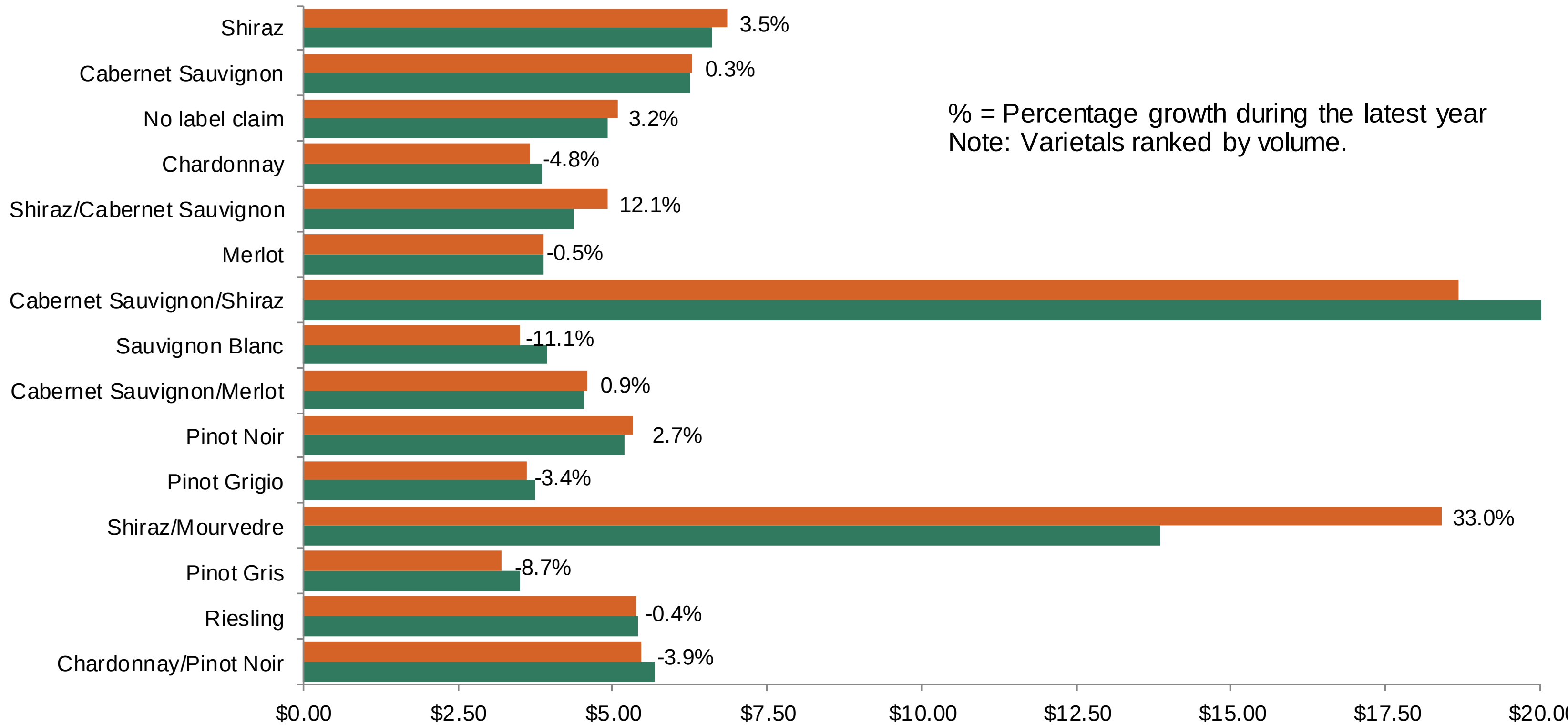
Bottled exports by top 15 varietal label claims

Volume (million litres) for MAT September 2017



Bottled exports by top 15 varietal label claims

Average Value (A$ per litre) for MAT September 2017



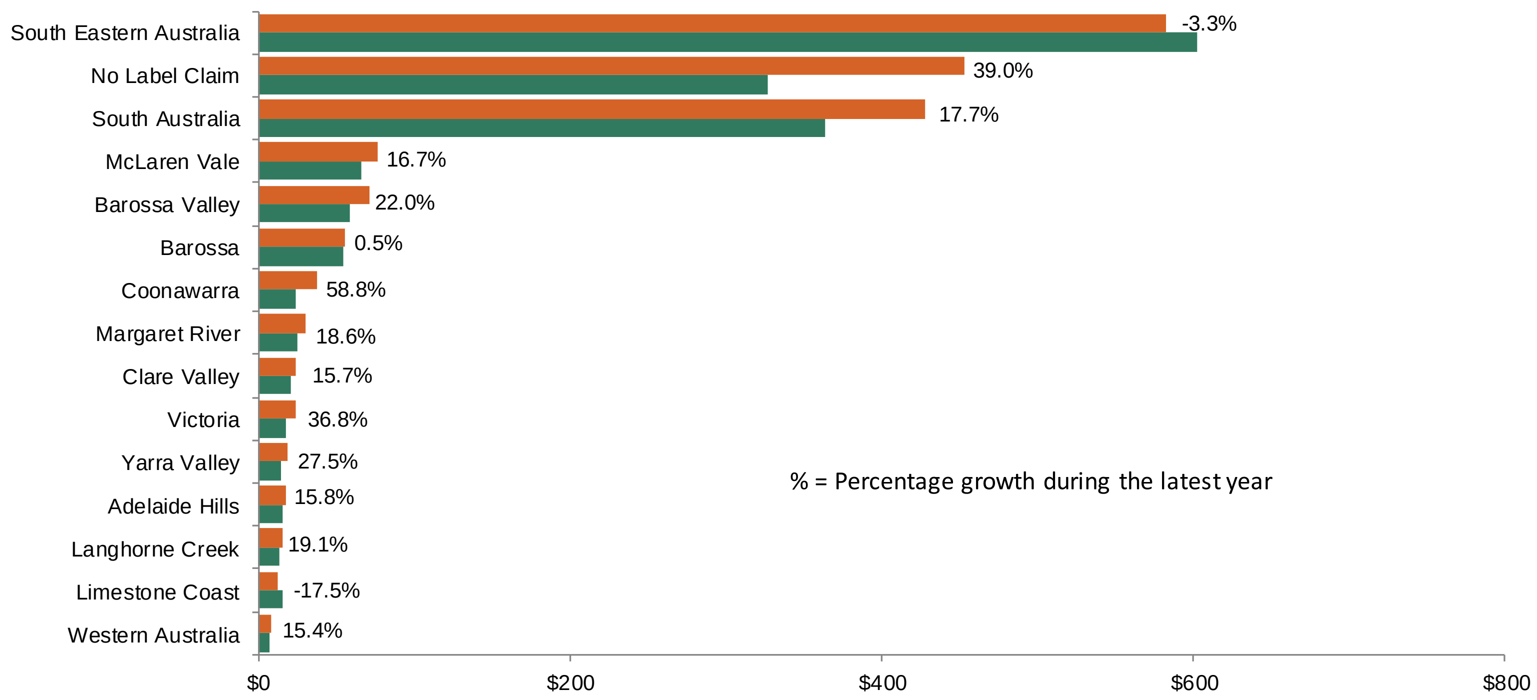
Bottled exports by top 15 GI region label claims

MAT September 2017

Top 15 GI label claims	Volume (million litres)		Value (A$ million FOB)		Average value ($A per litre FOB)	
	2017	Change	2017	Change	2017	Change
South Eastern Australia	168.70	0%	583.18	-3%	3.46	-3%
No Label Claim	86.11	39%	453.75	39%	5.27	0%
South Australia	50.72	22%	428.33	18%	8.45	-4%
McLaren Vale	6.98	17%	76.57	17%	10.97	0%
Barossa Valley	4.49	26%	71.64	22%	15.95	-3%
Barossa	5.12	-5%	54.85	1%	10.71	6%
Coonawarra	3.00	26%	37.54	59%	12.53	26%
Margaret River	2.45	14%	29.82	19%	12.18	4%
Clare Valley	2.74	26%	23.85	16%	8.72	-8%
Victoria	3.82	48%	23.67	37%	6.19	-7%
Yarra Valley	1.38	17%	18.58	28%	13.50	9%
Adelaide Hills	1.98	18%	17.86	16%	9.02	-2%
Langhorne Creek	1.88	16%	15.70	19%	8.37	3%
Limestone Coast	2.14	-9%	12.45	-17%	5.82	-9%
Western Australia	1.27	13%	8.04	15%	6.35	2%

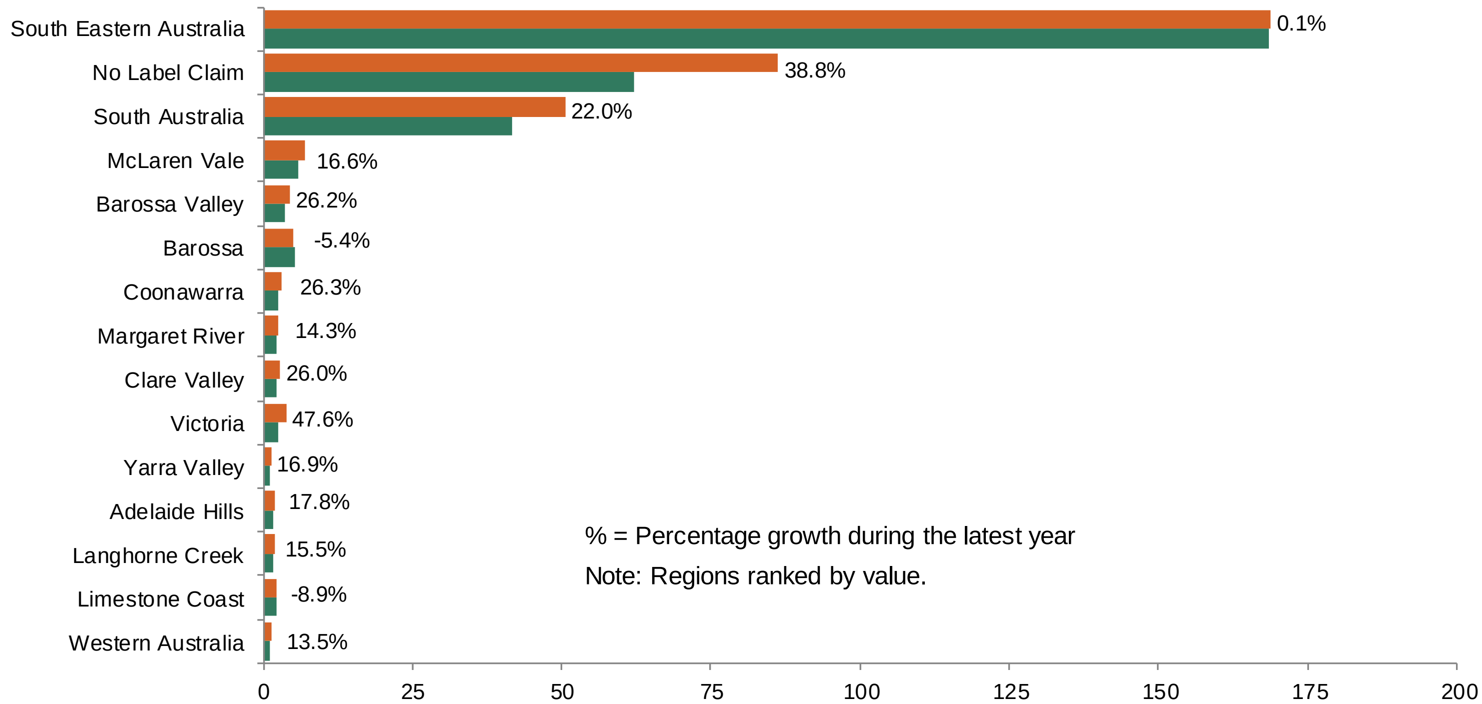
Bottled exports by top 15 GI region label claims

Value (million A$) for MAT September 2017



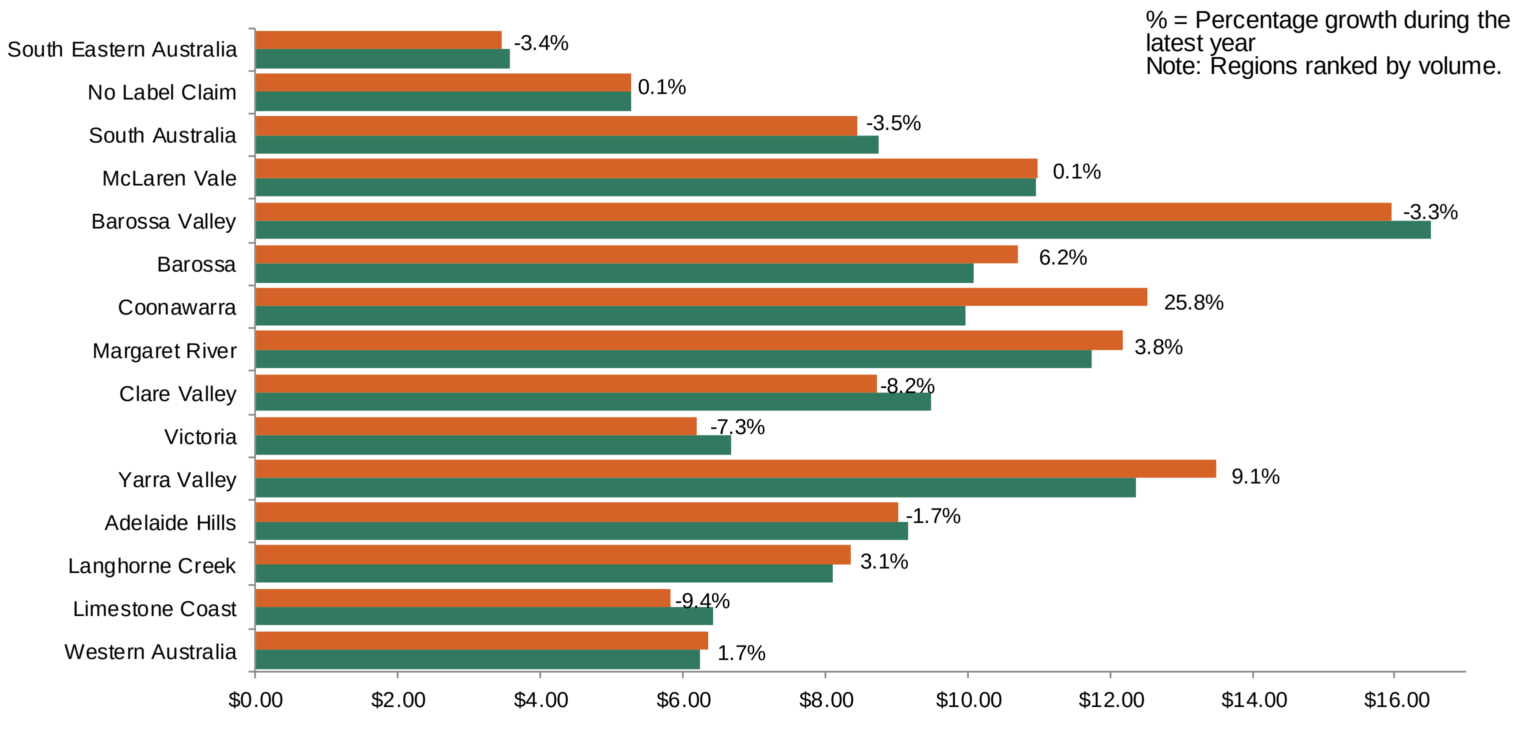
Bottled exports by top 15 GI region label claims

Volume (million litres) for MAT September 2017



Bottled exports by top 15 GI region label claims

Average Value (A$ per litre) for MAT September 2017

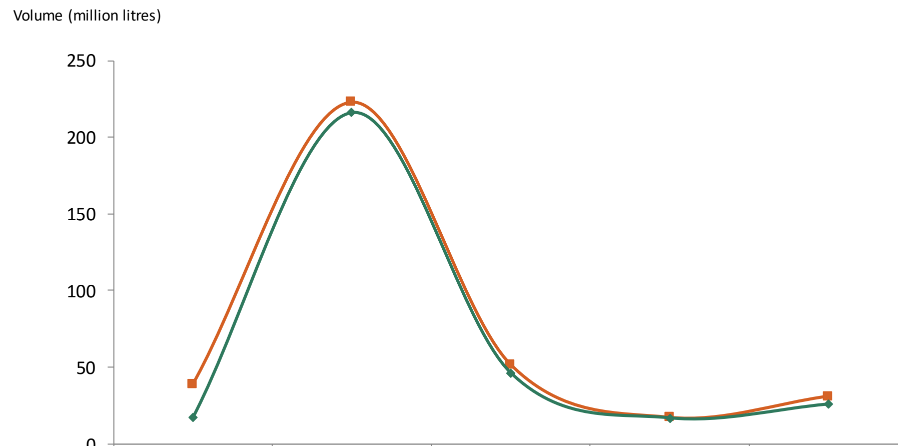


Bottled exports by price point

Volume

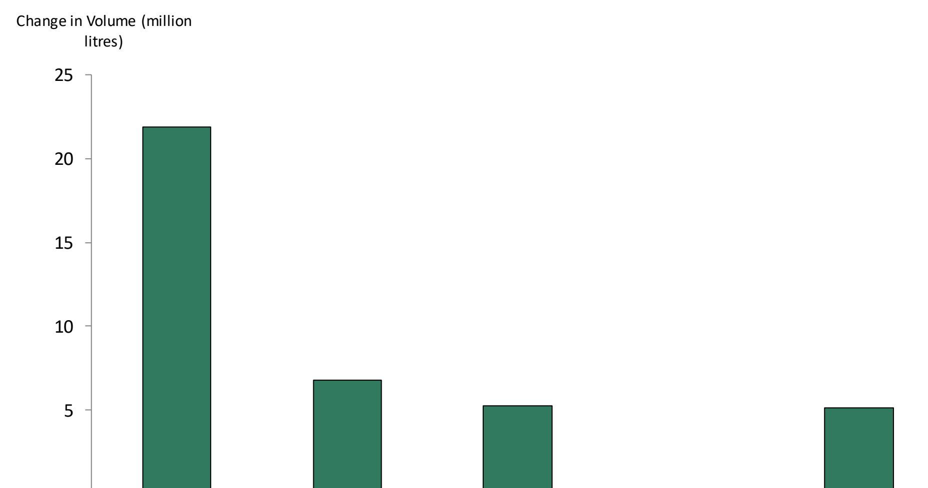
MAT September 2017

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
2017	39	223	51	17	31
2016	17	216	46	17	26

Change in 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
% change	129.1%	3.1%	11.4%	1.5%	19.8%
Vol change	21.9	6.8	5.2	0.3	5.1

Bulk wine exports report

Bulk exports by price point and destination	44
Bulk exports by colour/wine style	46
Bulk exports by top 15 destinations	49
Bulk exports by price point	52

Bulk wine exports by price point and destination

Value ('000 A$) for MAT September 2017

	$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 2017 ('000 AUD)	Change %	MAT September 2017 ('000 AUD)	Change %	MAT September 2017 ('000 AUD)	Change %	MAT September 2017 ('000 AUD)	Change %	MAT September 2017 ('000 AUD)	Change %	MAT September 2017 ('000 AUD)	Change %	MAT September 2017 ('000 AUD)	Change %
UK	77	-87%	95,675	-5%	48,646	-3%	12,091	-22%	3,487	-76%	6,672	-43%	166,647	-13%
USA	-	-100%	45,601	119%	31,140	17%	5,805	470%	744	-49%	3,363	-16%	86,653	60%
China	-	-100%	7,650	-39%	25,512	583%	2,245	21%	4,111	44%	4,326	-20%	43,845	65%
Canada	-	na	21,243	12%	9,166	7%	284	82%	66	267%	236	na	30,995	12%
Germany	-	na	19,239	0%	9,415	139%	37	-97%	590	122%	1,133	637%	30,414	23%
Italy	-	-100%	395	4%	11,763	1%	353	18%	-	na	37	na	12,548	2%
New Zealand	34	na	6,060	-16%	4,609	-5%	389	-45%	113	4%	1,201	170%	12,405	-7%
Netherlands	19	na	5,070	12%	3,106	77%	76	na	-	na	24	na	8,295	32%
Denmark	5	na	5,626	3%	1,334	339%	558	-50%	205	-22%	230	-30%	7,958	6%
Belgium	-	na	4,425	9%	1,626	-8%	126	-51%	48	na	-	na	6,226	2%
Finland	-	na	2,457	9%	2,473	6%	228	59%	-	na	595	8%	5,753	9%
Sweden	-	na	288	-60%	680	32%	909	-2%	2,032	93%	80	-80%	3,989	10%
France	-	na	1,984	-31%	1,398	312%	315	34%	51	na	81	-47%	3,829	6%
Japan	-	na	1,661	19%	654	67%	482	36%	320	-17%	653	1206%	3,771	46%
Switzerland	-	na	405	-27%	430	104%	73	-1%	197	105%	130	100%	1,235	24%
Norway	-	na	24	-97%	887	585%	-	na	-	na	-	na	911	7%
Spain	-	na	289	337%	407	28%	-	na	-	na	-	na	695	81%
Thailand	-	na	228	-29%	403	56%	-	na	26	na	-	na	658	13%
Other	-	-100%	171	-65%	468	7%	323	64%	-	na	57	-96%	1,019	-62%
Total	134	-86%	218,492	8%	154,117	30%	24,295	1%	11,991	-43%	18,818	-24%	427,847	9%

Bulk wine exports by price point and destination

Volume ('000 litres) for MAT September 2017

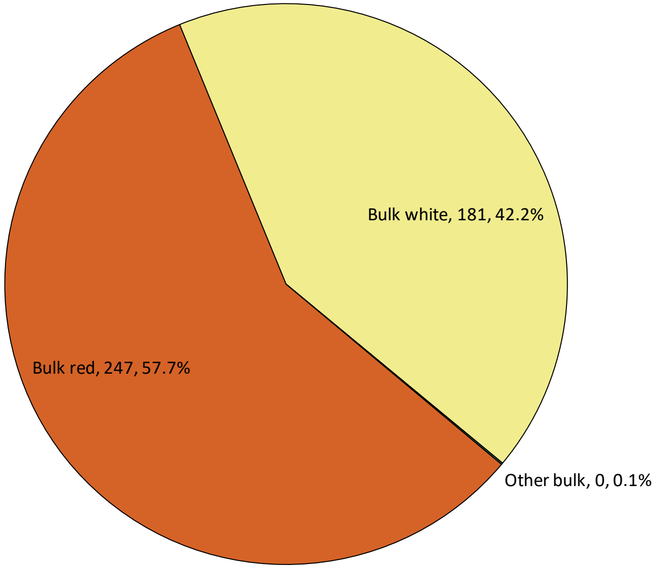
	$0.50 and under		$0.50 to $1.00		$1.00 to $1.50		$1.50 to $2.00		$2.00 to $2.50		$2.50 and above		Total	
	MAT September 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %	MAT September 2017 ('000 Litres)	Change %
UK	200	-85%	125,402	-7%	42,728	-3%	6,963	-22%	1,607	-76%	1,929	-54%	178,829	-10%
USA	-	-100%	53,860	95%	26,144	14%	3,363	478%	312	-49%	901	-18%	84,581	58%
Canada	-	na	24,583	5%	8,526	3%	166	60%	33	267%	48	na	33,356	5%
China	-	-100%	8,633	-44%	20,305	548%	1,320	24%	1,776	42%	1,086	-23%	33,121	49%
Germany	-	na	22,982	-11%	8,264	131%	24	-96%	288	140%	384	700%	31,941	6%
New Zealand	125	na	9,284	-20%	3,908	-4%	240	-44%	48	0%	293	132%	13,898	-15%
Italy	-	-100%	405	7%	10,217	0%	216	20%	-	na	14	na	10,852	-1%
Netherlands	48	na	6,167	5%	2,821	78%	48	na	-	na	3	na	9,086	22%
Denmark	24	na	7,211	-8%	1,272	431%	323	-50%	96	-20%	59	-32%	8,986	1%
Belgium	-	na	5,404	8%	1,457	-12%	76	-50%	24	na	-	na	6,961	2%
Finland	-	na	2,525	0%	2,118	-3%	124	65%	-	na	173	34%	4,940	0%
France	-	na	2,390	-33%	1,259	332%	170	21%	26	na	18	-61%	3,862	-5%
Japan	-	na	1,844	6%	598	77%	278	33%	160	-17%	192	1820%	3,073	24%
Sweden	-	na	310	-61%	570	30%	527	0%	986	96%	17	-82%	2,410	2%
Switzerland	-	na	480	-33%	360	114%	48	1%	96	100%	48	100%	1,032	2%
Norway	-	na	24	-97%	815	748%	-	na	-	na	-	na	839	-3%
Spain	-	na	360	400%	360	25%	-	na	-	na	-	na	720	100%
Thailand	-	na	240	-28%	288	50%	-	na	12	na	-	na	540	2%
Other	-	-100%	192	-68%	366	1%	192	60%	-	na	6	-98%	756	-45%
Total	396	-84%	272,296	2%	132,375	27%	14,078	2%	5,464	-43%	5,171	-31%	429,780	6%

Bulk exports by colour/ wine style

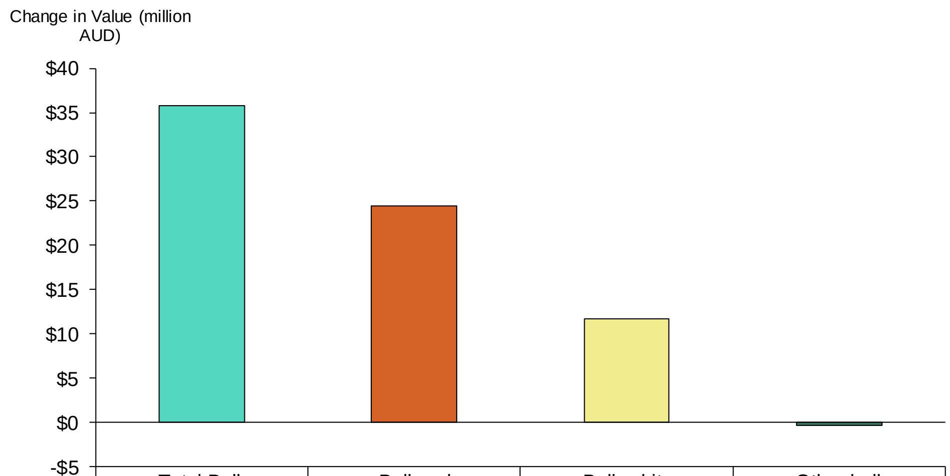
Value

MAT September 2017

Value (A$ million)



Change in Value (A$ million)

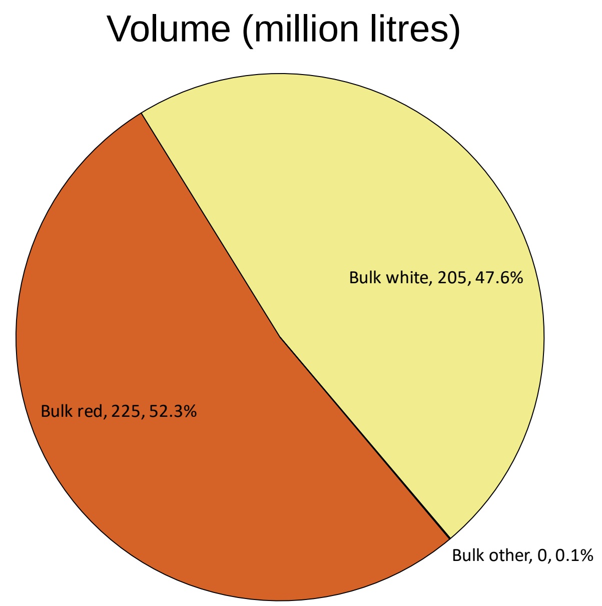


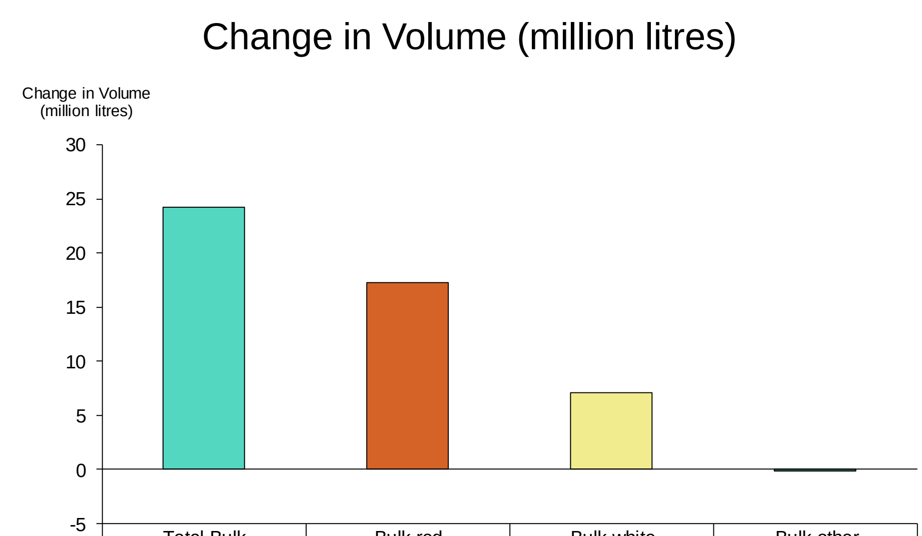
	Total Bulk	Bulk red	Bulk white	Other bulk
% change	9.1%	11.0%	6.9%	-50.4%
Val change	35.8	24.4	11.7	-0.4

Bulk exports by colour/ wine style

Volume

MAT September 2017





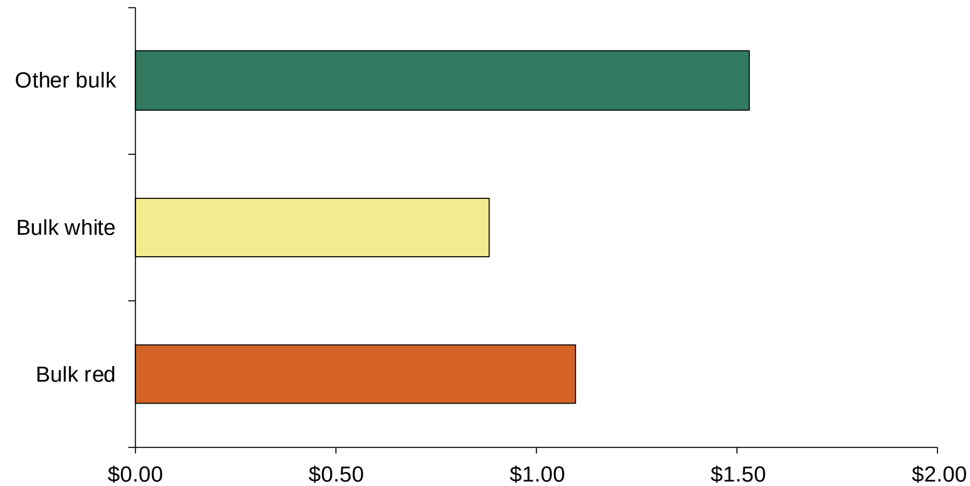
	Total Bulk	Bulk red	Bulk white	Bulk other
% change	6%	8%	4%	-40%
Vol change	24.2	17.3	7.1	-0.2

Bulk exports by colour/ wine style

Average value

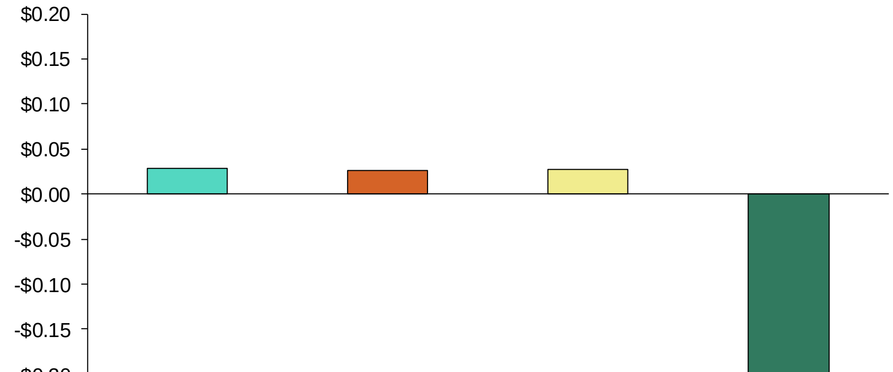
MAT September 2017

Average value (A$ per litre)



	Bulk red	Bulk white	Other bulk
2017	$1.10	$0.88	$1.53

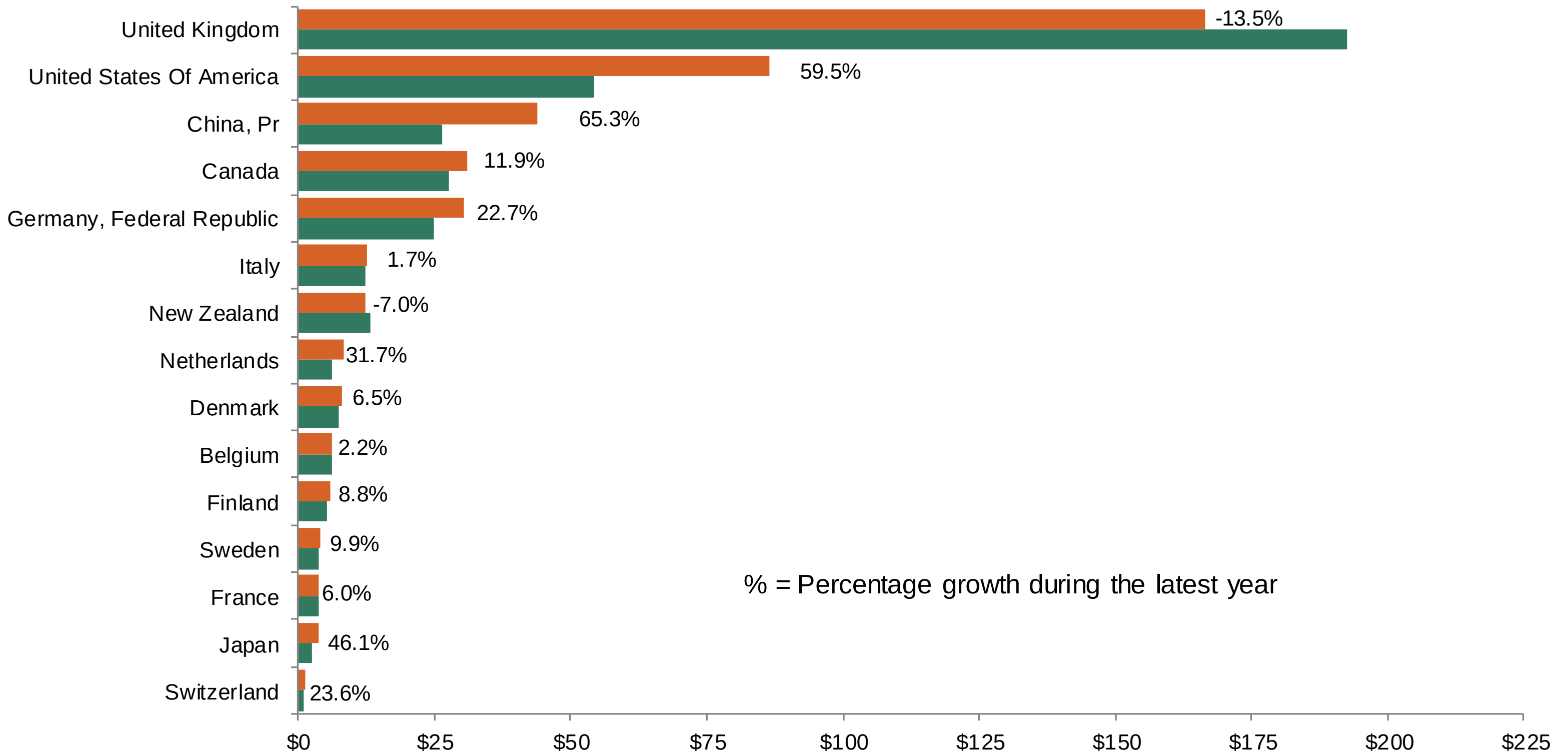
Change in average value (A$ per litre)



	Total Bulk	Bulk red	Bulk white	Other bulk
% change	3.0%	2.5%	3.2%	-16.9%
Av. Val change	$0.03	$0.03	$0.03	-$0.31

Bulk exports
by top 15 destinations

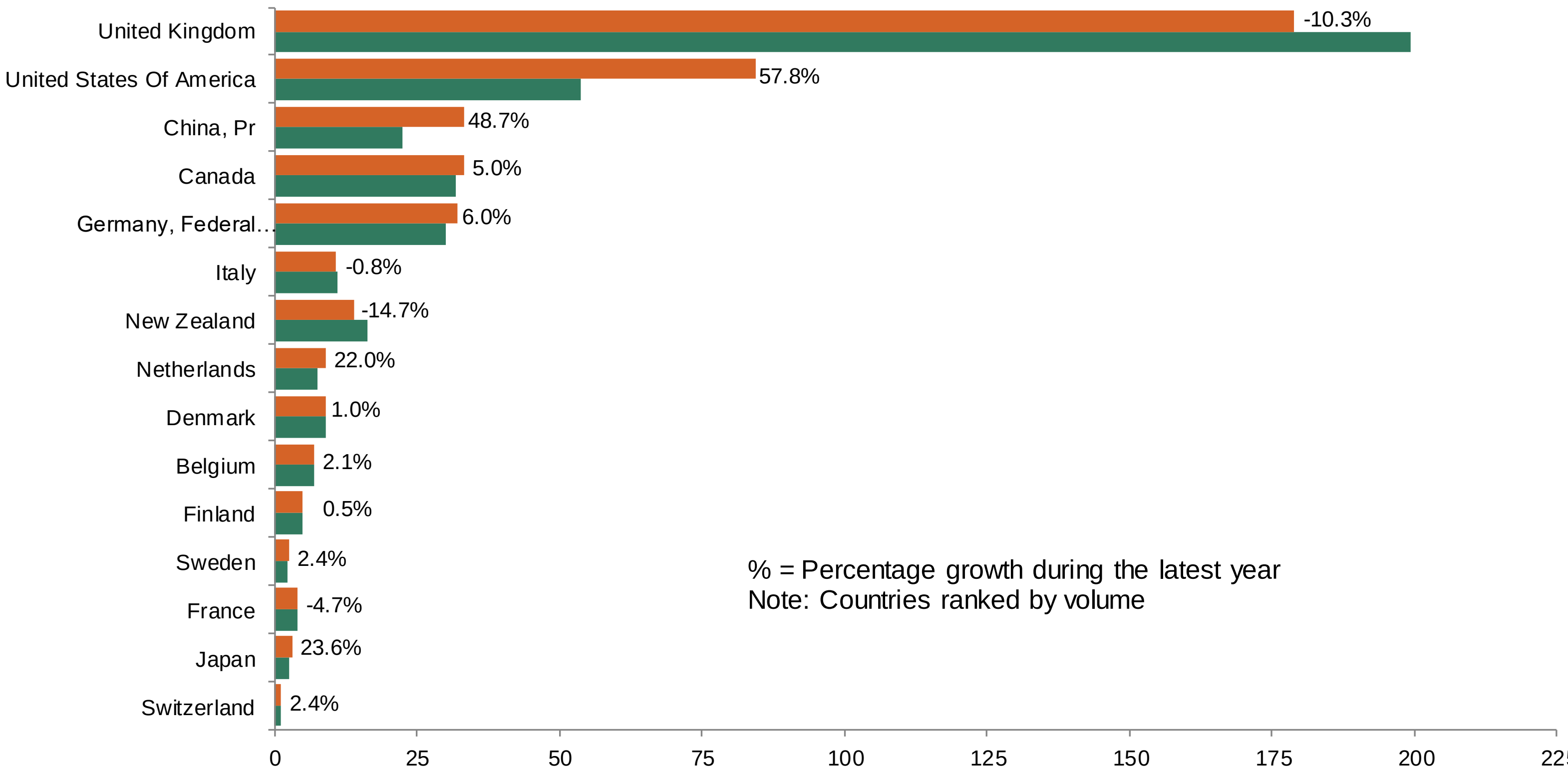
Value (million A$) for MAT September 2017



	Switzerland	Japan	France	Sweden	Finland	Belgium	Denmark	Netherlands	New Zealand	Italy	Germany, Federal Republic	Canada	China, Pr	United States Of America	United Kingdom
2017	1.2	3.8	3.8	4.0	5.8	6.2	8.0	8.3	12.4	12.5	30.4	31.0	43.8	86.7	166.6
2016	1.0	2.6	3.6	3.6	5.3	6.1	7.5	6.3	13.3	12.3	24.8	27.7	26.5	54.3	192.6

Bulk exports by top 15 destinations

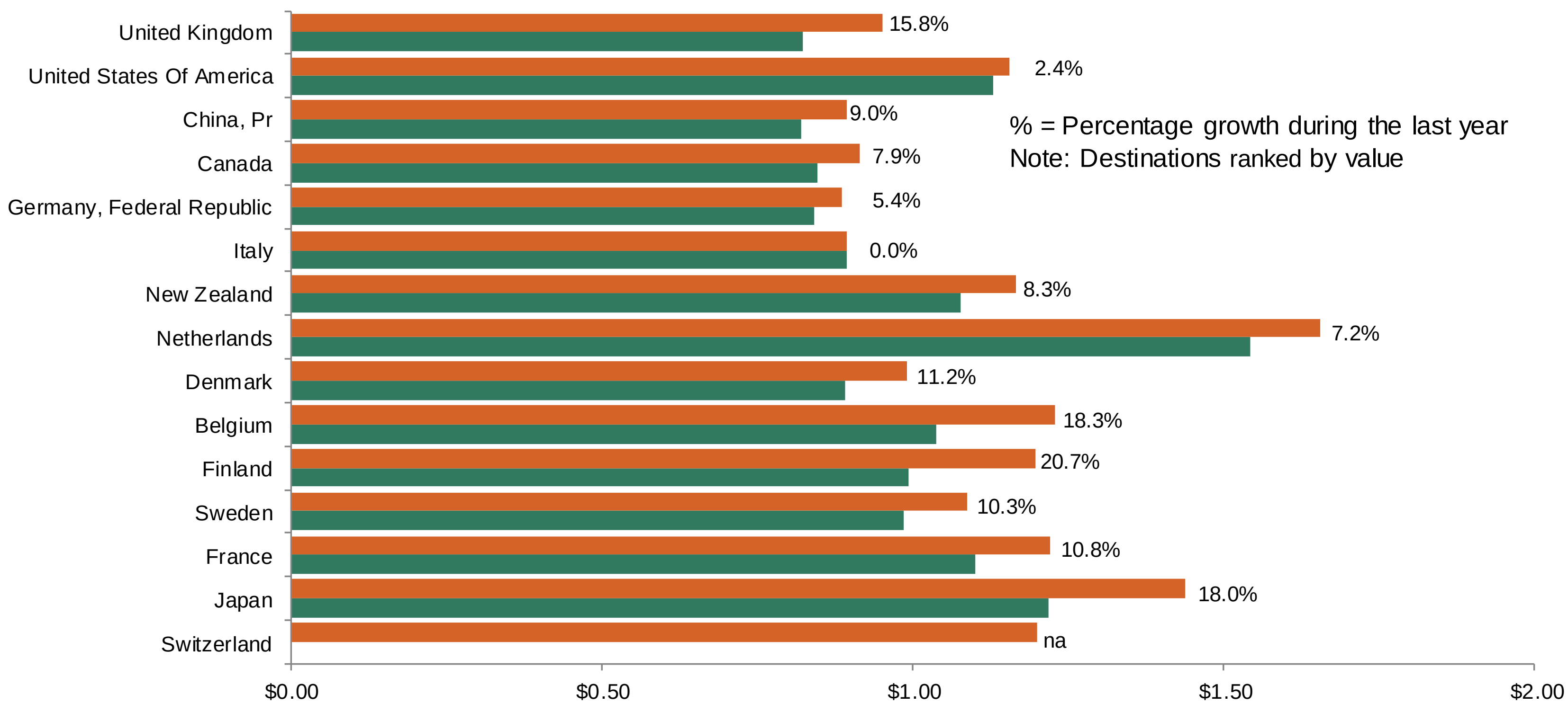
Volume (million litres) for MAT September 2017



	Switzerland	Japan	France	Sweden	Finland	Belgium	Denmark	Netherlands	New Zealand	Italy	Germany, Federal Republic	Canada	China, Pr	United States Of America	United Kingdom
2017	1.0	3.1	3.9	2.4	4.9	7.0	9.0	9.1	13.9	10.9	31.9	33.4	33.1	84.6	178.8
2016	1.0	2.5	4.1	2.4	4.9	6.8	8.9	7.4	16.3	10.9	30.1	31.8	22.3	53.6	199.5

Bulk exports by top 15 destinations

Average Value (A$ per litre) for MAT September 2017



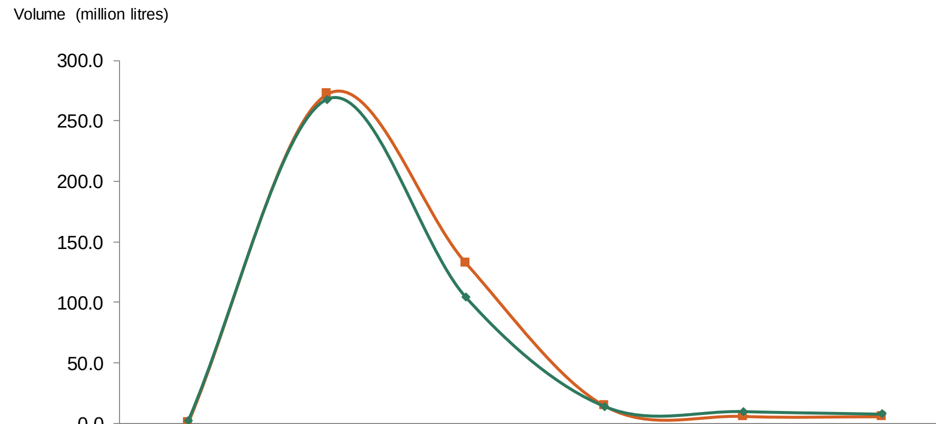
	Switzerland	Japan	France	Sweden	Finland	Belgium	Denmark	Netherlands	New Zealand	Italy	Germany, Federal Republic	Canada	China, Pr	United States Of America	United Kingdom
2017	$1.20	$1.44	$1.22	$1.09	$1.20	$1.23	$0.99	$1.66	$1.16	$0.89	$0.89	$0.91	$0.89	$1.16	$0.95
2016	$0.00	$1.22	$1.10	$0.99	$0.99	$1.04	$0.89	$1.54	$1.08	$0.89	$0.84	$0.85	$0.82	$1.13	$0.82

Bulk exports by price point

Volume

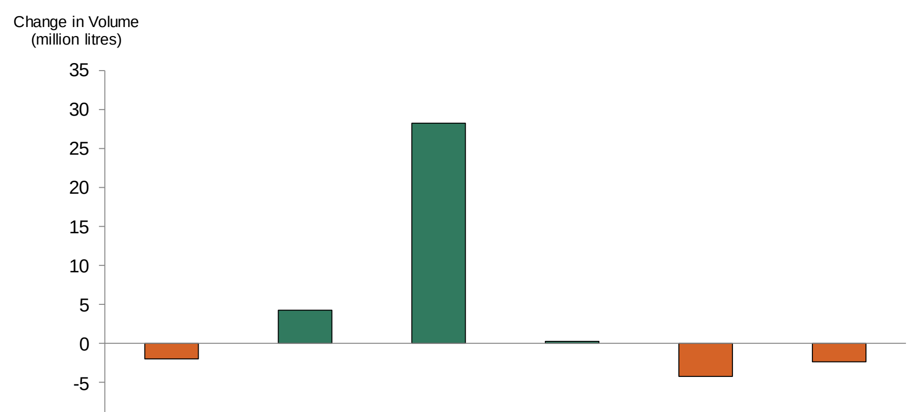
MAT September 2017

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
2017	0.4	272.3	132.4	14.1	5.5	5.2
2016	2	268	104	14	10	8

Change in 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
% change	-83.5%	1.6%	27.1%	1.6%	-43.4%	-31.1%
Vol change	-2.0	4.3	28.2	0.2	-4.2	-2.3

Notes & Definitions

- **Export Approvals**: Wine approved by the AGWA 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 the AGWA 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 the AGWA 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 the AGWA 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 13 months compared to the preceding 13 months.

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

- **A$**: 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