Wine Australia

Export Report

12 months to 30 September 2023

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Wine Australia

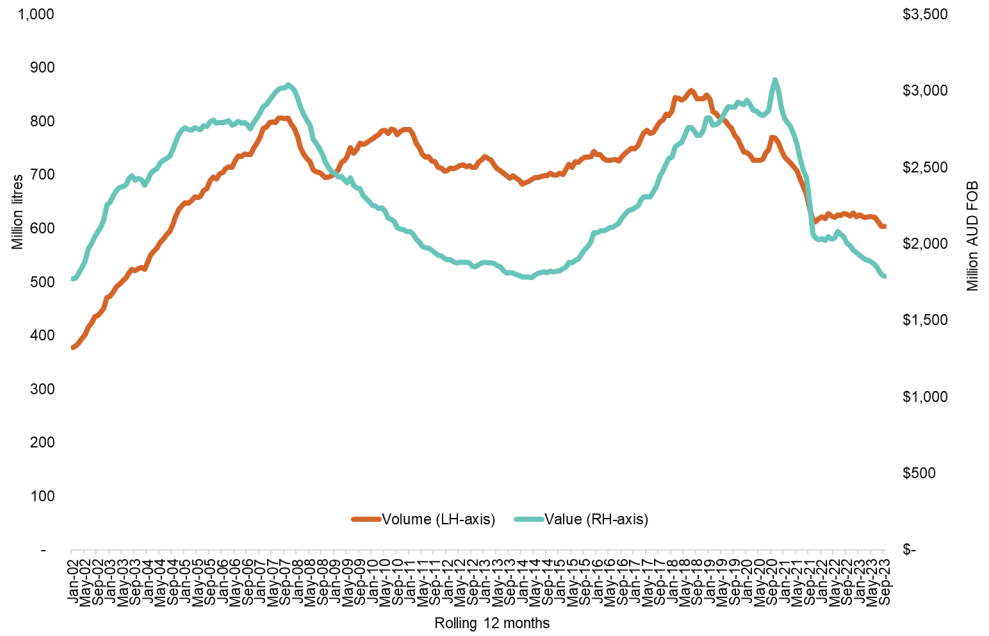
Executive summary

- Total value of Australian wine exports declined by 11 per cent to $1.79 billion.
- Total volume declined by 4 per cent to 604 million litres.
- This export performance is well below long term averages, driven by a global decline in wine consumption across many mature markets, especially in commercial wines (less than US$10 per bottle) where most Australian export volumes are sold. Cost of living pressures are also slowing down the long-term global premiumisation trend, as some consumers are moderating alcohol consumption as a cost-saving strategy.
- While export volumes were relatively stable over the previous 18 months, the latest quarter saw export volumes fall by 10 per cent compared to the same quarter in the previous year, driven by a decline in exports to the United Kingdom (UK) and Canada in particular.
- Total export value has been on a downward trend since peaking at $3.1 billion in the 12 months end October 2020. The decline accelerated in the September quarter, declining by 16 per cent compared to the same quarter in the previous year. The largest decline for the quarter was to Canada, followed by Hong Kong, Singapore, and the UK. In a positive sign for Australia's biggest destination by value, the value of exports to the United States of America (US) grew by 8 per cent for the latest quarter.
- There were mixed results across destinations in Northeast and Southeast Asia, reflecting the volatile market conditions at present.

Overview

In the 12 months ended September 2023, Australian wine exports declined by 11 per cent in value to $1.79 billion[1] and 4 per cent in volume to 604 million litres. Total value was well below the previous 10-year average of $2.31 billion and the lowest 12-month value for nearly a decade. Total volume was also below the previous 10-year average of 731 million litres and the lowest in nearly two decades (see Figure 1), reflecting the exceptionally tough global trading conditions that have prevailed since 2020. The average value declined by 7 per cent to $2.96 per litre free on board (FOB)[2].

Figure 1: Volume and value of Australian wine exports over time



[1] Unless otherwise stated all values are given in Australian dollars.

[2] All export wine values are the 'Free on board' (FOB) 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.

While export volumes have been holding steady for the past 18 months, the latest quarter saw volumes fall by 10 per cent compared to the same quarter in the previous year. The decline in volume in the latest quarter was driven by a decline in exports to the United Kingdom (UK) and Canada in particular. This performance reflects the broad economic challenges for wine sales in the UK, such as inflation and increasing taxes and duties on alcohol. Likewise, in Canada, heightened levels of unpackaged shipments in recent times are showing signs of stabilising, while packaged volumes continued their decline.

Total export value has been on a downward trajectory since peaking at $3.1 billion in the 12 months ended October 2020. There are no signs that this trend will reverse in the short-term as the decline in value accelerated in the September quarter, falling by 16 per cent compared to the same quarter in the previous year. The largest decline for the quarter was in exports to Canada, followed by Hong Kong, Singapore, and the UK. In a positive sign, the value of exports to Australia's biggest destination by value, the United States of America (US), grew by 8 per cent. However, over the past 12 months, the US was a major contributor to the overall drop in value, along with Canada, and the UK. Growth to Hong Kong offset some of this decline.

Exports declined to 26 of the top 30 markets by value for Australian wine, reflecting the long-term decline in global wine consumption as well as the global oversupply of wine. Early estimates indicate that, while global wine production in 2023 will be below average for the fifth year in a row[3], it is still expected to exceed demand by around 10 per cent. There has been an average annual excess wine production of just under 3 billion litres since 2012, which equates to more than double Australia's average annual wine production of 1.25 billion litres. This makes trading wine exceptionally challenging in terms of volume and pricing. Exacerbating this has been the soaring cost of living across the globe in the past 18 months.

The health and wellness trend is arguably the most influential force impacting wine consumption over the longer term. This has seen alcohol consumption fall, including for wine. Some people are abstaining from drinking wine, others are drinking less but paying more, while some are seeking no and low alcohol wine options. This trend has seen wine consumption at premium wine segments (US$10 or more per bottle) grow, while the commercial end (less than US$10 per bottle) has been declining – indicating that consumers are drinking less but choosing to purchase higher price points, although at slightly lower growth rates than recent years. These trends disproportionally effect Australia, as 90 per cent of Australian export volumes are in the commercial price segments. IWSR also reports that consumers are cutting back on alcohol spending, as prices rise for food and other necessities. Moderation trends are no longer solely driven by health and wellness considerations, but also as a money saving strategy – with consumers choosing to drink less volume, rather than trade down in price points.

Wine Australia General Manager Marketing Paul Turale said, "There are few positives to take out of the latest numbers, with Australia's performance broadly reflecting the challenges facing the wine sector globally. Continued efforts to diversify export markets, build distribution and, ultimately, consumer preference for Australian wine, must remain the focus. While commentary in this report is retrospective, it would be remiss not to acknowledge the recent news of a review into the duties currently applied to Australian wine imported to mainland China. We welcome the progress and remain optimistic that Chinese drinkers will have access to our world class wines again soon, noting that the sentiment for Australian wine remains positive in the market."

Packaging types

In the 12 months ended September 2023, packaged exports of Australian wine declined by 13 per cent in value to $1.31 billion and 19 per cent in volume to 188 million litres. Average value increased by 7 per cent to $7.00 per litre FOB. The markets driving the decline were the US, Canada, and the

[3] OIV

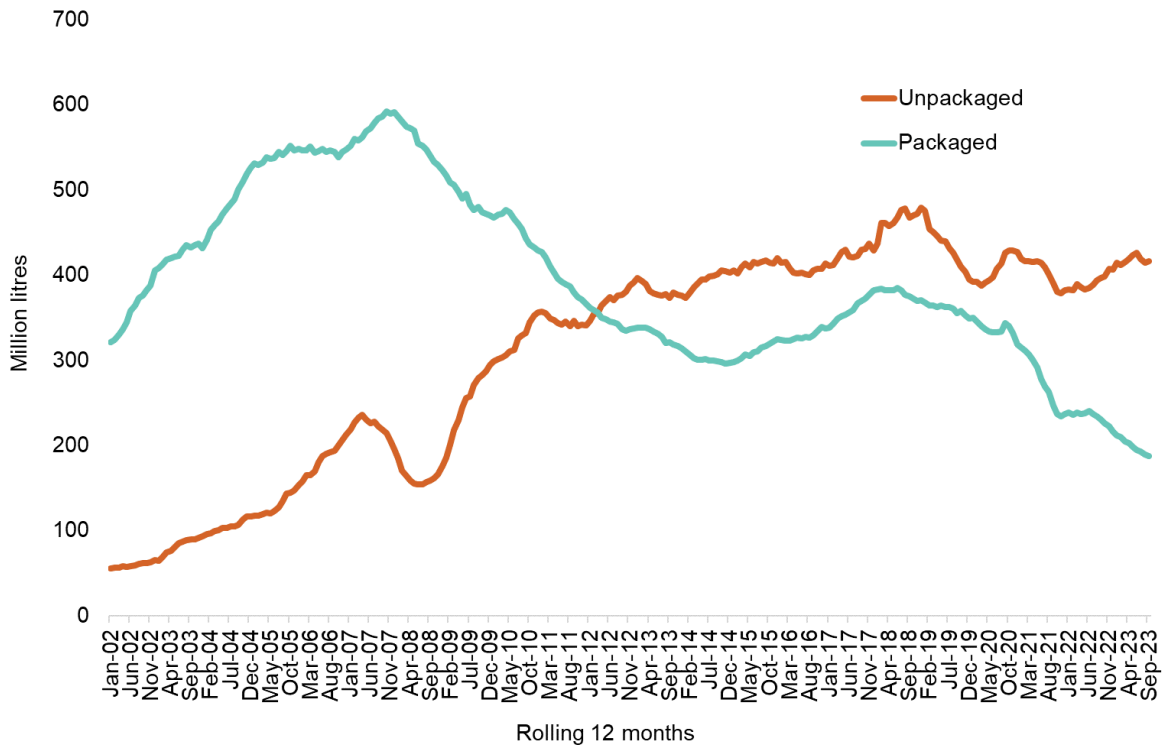
UK. In the US and UK, most of this loss was in packaged exports valued below $5 per litre FOB, while in Canada the largest loss was in exports valued between $5 and $7.49 per litre FOB.

Exports of unpackaged wine (to be then packaged in the destination market) declined by 4 per cent in value to $474 million and increased by 5 per cent in volume to 416 million litres. Average value dropped by 9 per cent to $1.14 per litre FOB, the lowest level since 2018. The global oversupply of wine is depressing prices in the bulk wine market.

The growth in the volume of unpackaged exports is overwhelmingly driven by Canada, but also the US, Sweden, and the UK to a lesser extent.

The increase in the volume of unpackaged exports and the decline in packaged exports has resulted in the share of unpackaged exports growing by 6 percentage points to a 69 per cent volume share. This has an impact on the overall average value of exports as unpackaged exports do not include packaging costs and are therefore inherently lower in value.

Figure 2: Volume of packaged and unpackaged wine exports over time



Price segments

In the 12 months ended September 2023, exports priced below $5 per litre declined by 9 per cent in value to $932 million (see Figure 3) and 1 per cent in volume to 542 million litres. Volume was stable relative to value as the decline in packaged exports in this price segment just outweighed the growth in unpackaged wine. Both packaged and unpackaged exports declined in value below $5 per litre, particularly packaged exports which declined by 14 per cent, or $80 million.

Exports valued above $5 per litre declined by 12 per cent in value to $856 million and 19 per cent in volume to 62 million litres. The largest decline came from the $5 to $7.49 price segment, which declined by 23 per cent in both volume and value, largely driven by exports to Canada. Exports above $10 per litre declined by 8 per cent in value to $578 million and 15 per cent in volume to 21 million litres. Significant growth in exports to Hong Kong was outweighed by a decline in exports to the US, Malaysia, Canada, and Singapore in this price segment.

Figure 3: Exports by price segment (Million AUD FOB)

Price segment (A$/litre)	MAT September 2023	Value change	Growth rate
$2.49 and under	$447	-$13	-3%
$2.50 to $4.99	$484	-$85	-15%
$5.00 to $7.49	$175	-$52	-23%
$7.50 to $9.99	$103	-$21	-17%
$10.00 to $14.99	$128	-$24	-16%
$15.00 to $19.99	$47	-$5.3	-10%
$20.00 to $29.99	$70	-$29	-29%
$30.00 to $49.99	$61	-$12	-16%
$50.00 to $99.99	$190	$25	15%
$100.00 to $199.99	$41	-$6.1	-13%
$200.00 and over	$40	$2.4	6%
Total value	$1,788	-$218	-11%

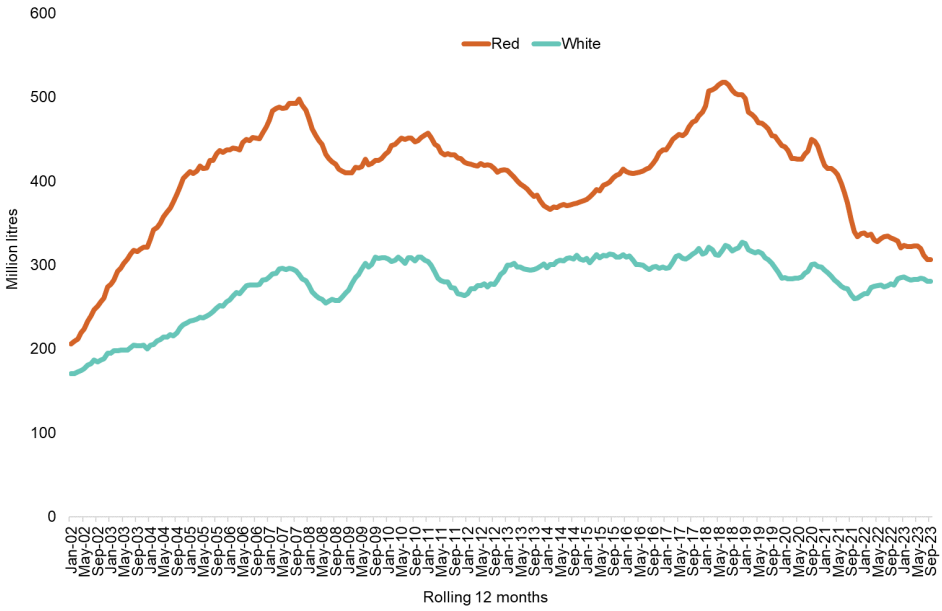
Wine style

In the 12 months ended September 2023, the volume share of white wine exports increased from 44 per cent to 46 per cent, with the red wine share falling to 51 per cent. The largest swings away from red wine and towards white wine were in the US and Canada. On the other hand, there was growth in the red wine share in exports to the UK and Germany. Rosé maintained its overall volume share of 3 per cent.

Still red wine exports declined by 14 per cent in value to $1.14 billion and 8 per cent in volume to 306 million litres, the lowest volume of red exports since 2003 and approaching the level of white wine exports (see Figure 4). Value declined at a faster rate than volume as much of the loss was in packaged exports, while unpackaged exports of red wine were stable. The value decline in red wine exports was most significant to the US, Canada, the UK, Singapore, and Malaysia.

Still white wine exports declined by 4 per cent in value to $547 million, but increased by 1 per cent in volume to 273 million litres. The largest decline in both value and volume was in exports to the UK. The decline in volume to the UK was more than offset by increased white wine exports to the US and Canada. Packaged exports of white wine declined by 16 per cent in volume, while unpackaged white wine exports increased by 9 per cent in volume.

Figure 4: Volume of red and white exports over time

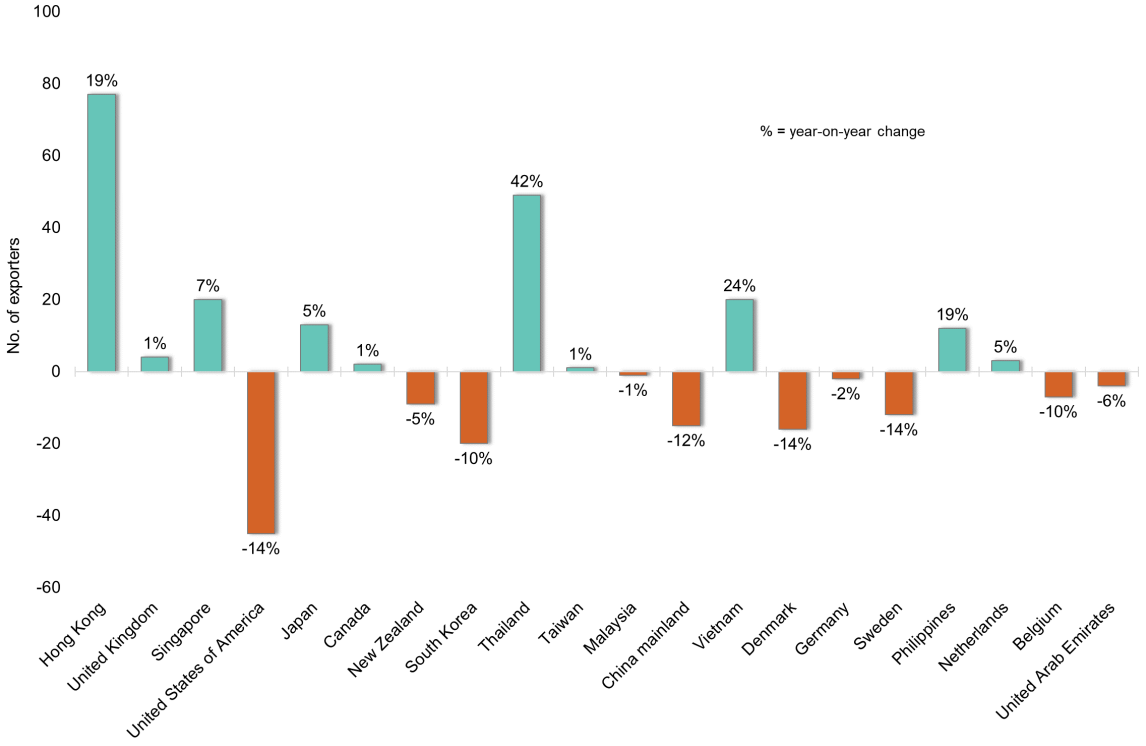


Sparkling and carbonated exports declined by 13 per cent in value to $67 million and 16 per cent in volume to 12 million litres. Driving the decline in sparkling wine exports were Canada (down 43 per cent in value) and semi-carbonated exports to both Canada and the US (down 94 and 25 per cent in value respectively). Carbonated wine exports grew by 25 per cent in value, driven by exports to Singapore, Japan, and New Zealand.

Exporters

The number of Australian wine exporters increased to 1,247 in the 12 months ended September 2023, up by 98 businesses from 2022, but still far from the peak of 2,912 in the 12 months to February 2020. The market that experienced the highest growth in the number of exporters amongst the top markets was Hong Kong, followed by Thailand and Vietnam (see Figure 5). Markets that lost the most exporters included the US, mainland China, South Korea, Denmark, and Sweden. Hong Kong, the UK, and Singapore were the top three markets by number of exporters but as they are major trading hubs some of this wine is on-shipped to other markets.

Figure 5: Year-on-year change in number of exporters (top 20 markets by number of exporters)

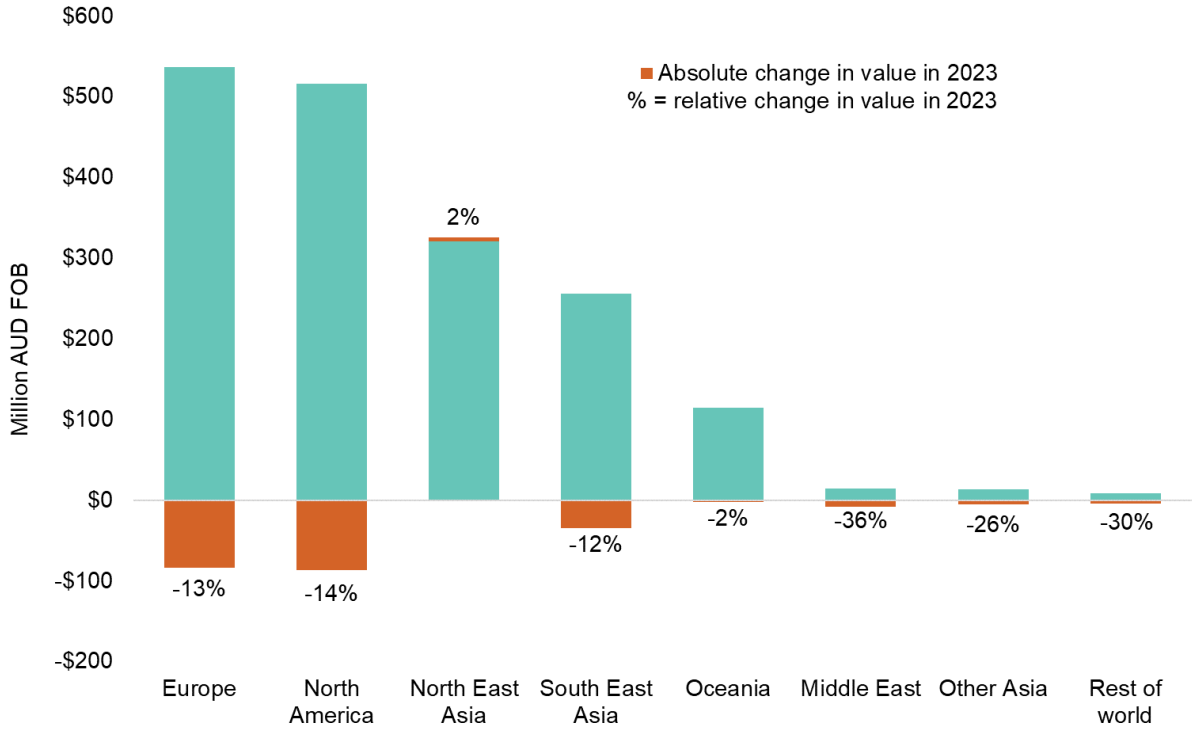


Destinations

In the 12 months ended September 2023, Australian wine was exported to 112 destinations, down from 118 in the previous year. Fifty of these destinations recorded growth in the value of exports during the year, while 62 declined. Those in growth were mainly very small markets (less than $5 million in exports).

The value of exports by major region were relatively evenly split between Europe (30 per cent share), North America (29 per cent) and Asia (33 per cent). Exports to Europe and North America declined by similar amounts during this period. Europe declined by 13 per cent in value to $537 million, driven mostly by the UK, but 11 of the top 13 other European destinations also declined in value. North America declined by 14 per cent to $516 million, with exports to the US and Canada declining by similar values. Exports to Asia declined by 5 per cent to $596 million. There were mixed results across the Asian region, including a decline in exports to Singapore and an increase in exports to Hong Kong, two key trading hubs in the region, reflecting volatile market conditions at present. Key emerging markets such as Thailand and Philippines grew in value during the period.

Figure 6: Export value by destination region, 12 months ended September 2023



The top five markets by value were:

- US (down 11 per cent to $366 million. 20 per cent share of total export value)
- UK (down 10 per cent to $354 million. 20 per cent share of total export value)
- Hong Kong (up 26 per cent to $205 million. 11 per cent share of total export value)
- Canada (down 22 per cent to $148 million. 8 per cent share of total export value), and
- Singapore (down 12 per cent to $117 million. 7 per cent share of total export value).

The top five markets by volume were:

- UK (down 3 per cent to 215 million litres. 36 per cent share of total export volume)
- US (down 4 per cent to 134 million litres. 22 per cent share of total export volume)
- Canada (up 20 per cent to 74 million litres. 12 per cent share of total export volume)
- New Zealand (down 3 per cent to 31 million litres. 5 per cent share of total export volume), and
- Germany (down 9 per cent to 28 million litres. 5 per cent share of total export volume).

Europe

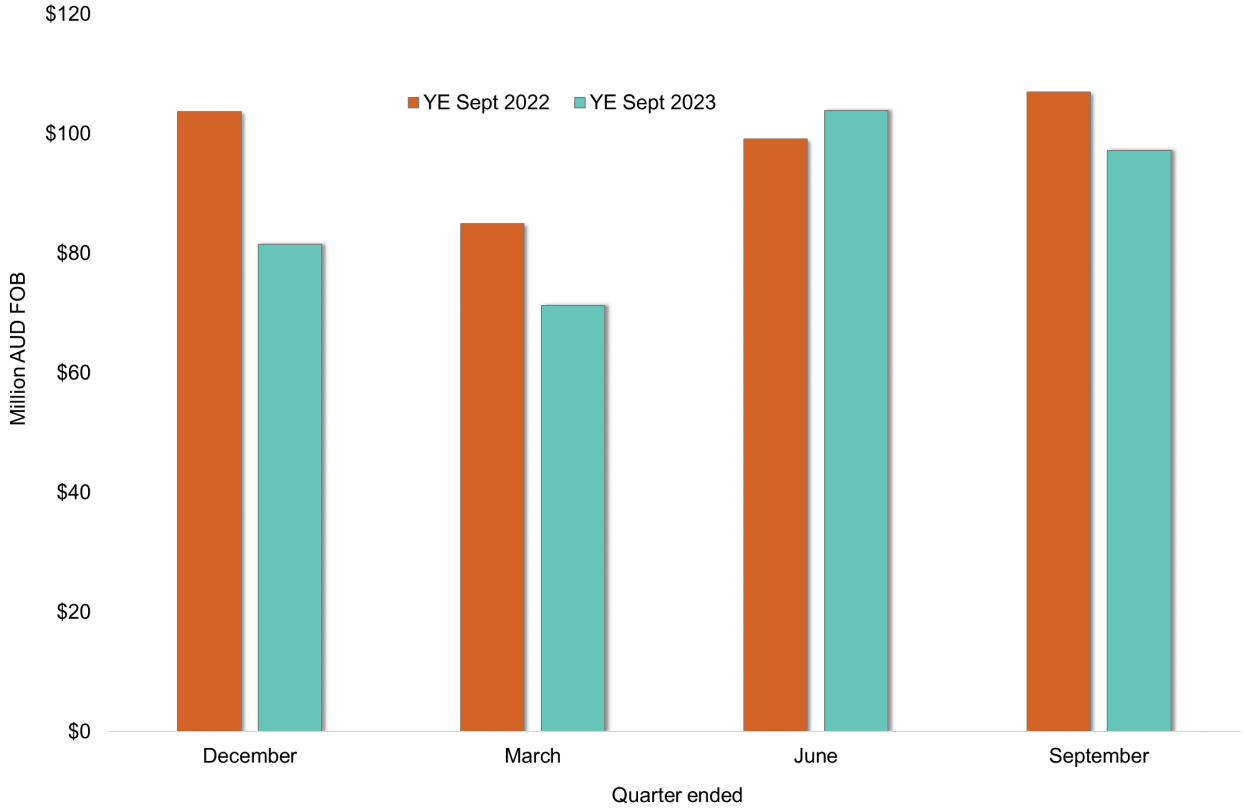
United Kingdom

In the 12 months ended September 2023, Australian wine exports to the United Kingdom (UK) declined by 10 per cent in value to $354 million and 3 per cent in volume to 215 million litres. Average value declined by 7 per cent to $1.65 per litre FOB.

After declining in value since late 2021, exports to the UK saw a small rebound in the June 2023 quarter, growing by 5 per cent compared to the same quarter in 2022 (see Figure 7). The Australia–United Kingdom Free Trade Agreement came into force on 31 May 2023, immediately eliminating tariffs on Australian wine entering the United Kingdom. It is possible that some exporters may have taken the opportunity to get into the market with no import tariff, ahead of the alcohol duty increase

that entered into force on 1 August 2023. After this temporary rise, exports in the September 2023 quarter declined by 9 per cent in value. The ongoing increases in taxes and duties in the UK are squeezing already tight margins, especially at the commercial end of the market.

Figure 7: Value of exports to the UK by quarter



Most of the decline in exports to the UK was felt in packaged wine, which declined by 23 per cent in value to $123 million and 28 per cent in volume to 23 million litres. The average value of packaged exports increased by 7 per cent to $5.44 per litre FOB. The volume share of packaged exports to the UK fell from 14 per cent to 11 per cent during the period. Meanwhile, unpackaged exports declined by 2 per cent in value to $231 million and increased by 1 per cent in volume to 192 million. Average value of unpackaged shipments declined by 2 per cent to $1.20 per litre FOB.

Unlike most export destinations, the UK saw an increase of Australian red wine exports from 50 to 53 per cent in the year ended September 2023. This came at the expense of white wine. The volume of still red wine exports increased by 2 per cent to 114 million litres, driven by unpackaged wine, while value declined by 11 per cent to $196 million. Still white wine exports declined by 9 per cent in volume to 94 million litres and 10 per cent in value to $144 million. Sparkling and carbonated exports increased by 2 per cent in value to $5.2 million and declined by 3 per cent in volume to 955,659 litres. High stock-to-sales ratios for red wine are a possible contributor to the increase in unpackaged red wine volumes to the UK.

Overall, exports to the UK below $5 per litre FOB declined by 8 per cent in value to $281 million and 3 per cent in volume to 207 million. Most of this decline took place in packaged wine shipments with an average value between $2.50 and $4.99 per litre FOB (see Figure 8). Exports above $5 per litre declined by 17 per cent in value to $73 million and 20 per cent in volume to 8.0 million litres.

Figure 8: Exports to the United Kingdom by price segment (Million AUD FOB)

Price segment (A$/litre)	MAT September 2023	Value change	Growth rate
$2.49 and under	$215	-$4.4	-2.0%
$2.50 to $4.99	$65	-$21	-24%
$5.00 to $7.49	$29	-$5.5	-16%
$7.50 to $9.99	$15	-$4.4	-22%
$10.00 to $14.99	$11	-$3.4	-23%
$15.00 to $19.99	$3.5	-$1.4	-28%
$20.00 to $29.99	$3.9	-$0.6	-13%
$30.00 to $49.99	$4.6	$0.5	12%
$50.00 to $99.99	$3.2	$0.0	-0.9%
$100.00 to $199.99	$1.2	-$0.1	-11%
$200.00 and over	$1.0	-$0.5	-32%
Total value	$354	-$41	-10%

Although the export results are challenging, Australia is still the number one source of wine in the UK off-trade market and is outpacing the market in terms of growth – increasing by 2 per cent in value in the 12 months to September 2023[4], while the total market increased by 1 per cent. In general, the value growth for all sources of wine could be driven by inflation, which has been exceedingly high in the UK. However, Australian volume, down by 2 per cent, also declined by less than the total, which was down 3 per cent during the period.

Wine Australia's Regional General Manager UK/EMEA Laura Jewell MW said, "The UK market continues to be challenging for wine sales across all origins, as the impact of the increase in duty is starting to be felt. Most retailers have passed on the increases to some extent, while mitigating the initial impact by increasing duty paid stock. Inflation continues to be high compared to other European markets, last reported at 6.7 per cent in August. The Bank of England estimates that it will fall to 5 per cent by the end of the year, with a target of 2 per cent in early 2025, by which time there will have been a General Election. Australian wine continues to outperform the market in the off-trade due to the strength of the big brands and retailer own label lines. However, the latest unrest in the Middle East creates further uncertainty in these turbulent times."

Other Europe

In the 12 months ended September 2023, exports to the rest of Europe (excluding the UK) declined by 19 per cent in value $183 million and 10 per cent in volume to 90 million litres, as tough market conditions continued to impact the region. The largest driver of the value decline was exports to Germany (down 24 per cent to $33 million), followed by Denmark (down 21 per cent to $31 million), and the Netherlands (down 24 per cent to $24 million). Performance was slightly more positive by volume, with three destinations in the top 10 growing – Sweden by 12 percent to 5.9 million litres, Finland by 11 per cent to 5.2 million litres, and Spain by 5 per cent to 1.6 million litres – growth to all 3 destinations driven by unpackaged wine exports.

[4] Circana

Figure 9: Exports to Europe (excluding the UK) by destination market

Market	Volume		Value	
	Million litres	% change	$ Million	% change
Germany	28.0	-9%	$32.6	-24%
Denmark	17.1	-9%	$30.9	-21%
Netherlands	7.3	-24%	$23.5	-24%
Sweden	5.9	12%	$20.3	-9%
France	8.7	-9%	$14.2	-6%
Belgium	8.3	-9%	$13.4	-18%
Finland	5.2	11%	$9.9	-6%
Spain	1.6	5%	$8.5	3%
Ireland	2.2	-26%	$8.4	-22%
Norway	1.8	-20%	$6.5	-12%
Others	3.5	-31%	$15.1	-31%
Total	**89.7**	**-10%**	**$183.4**	**-19%**

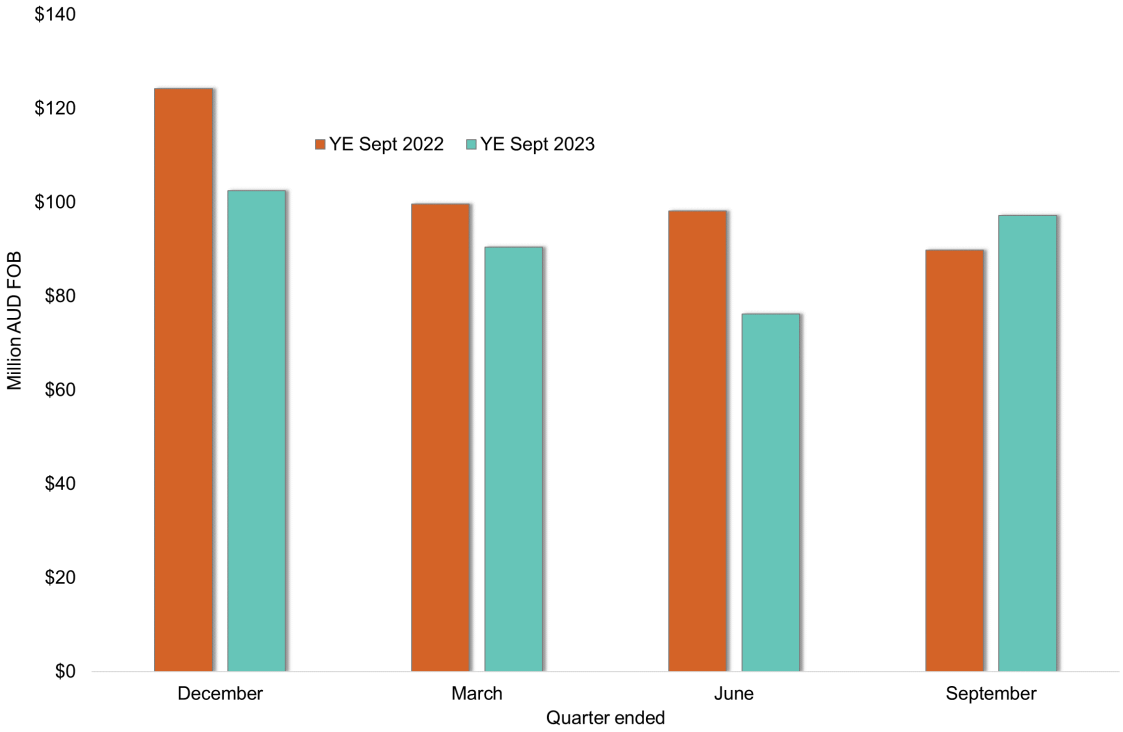
North America

United States

In the 12 months ended September 2023, exports to the United States (US) declined by 11 per cent in value to $366 million and 4 per cent in volume to 134 million litres. Average value dropped by 8 per cent to $2.73 per litre FOB.

After declining since mid-2022, export value to the United States grew by 8 per cent in the September 2023 quarter, compared to the corresponding quarter in the previous year (see Figure 10). This uplift was mostly driven by packaged exports between $2.50 and $4.99 per litre FOB, indicating that export levels in this price segment may be normalising.

Figure 10: Value of exports to the United States by quarter



In the year ended September 2023, packaged exports to the US declined by 13 per cent in value to $279 million and 13 per cent in volume to 62 million litres. The average value of packaged exports increased by 1 per cent to $4.50 per litre FOB. This decline in packaged exports meant that the volume share of packaged exports declined from 51 to 46 per cent. Unpackaged exports to the US declined by 5 per cent in value to $88 million and increased by 6 per cent in volume to 72 million litres. The average value of unpackaged exports declined by 11 per cent to $1.21 per litre.

Red wine exports decreased significantly in share during this period – declining from a 47 per cent volume share to 36 per cent. Still red wine declined by 24 per cent in value to $166 million and 25 per cent in volume to 49 million litres; this decline was largely driven by unpackaged wine exports, but also packaged to a lesser extent. Still white wine exports increased by 7 per cent in value to $188 million and 17 per cent in volume to 83 million litres; most of this increase was driven by unpackaged white wine. Sparkling and carbonated exports declined by 23 per cent in value to $9.5 million and 26 per cent in volume to 2.1 million litres.

Figure 11: Exports to the United States by price segment (Million AUD FOB)

Price segment (A$/litre)	MAT September 2023	Value change	Growth rate
$2.49 and under	$84	$0.5	0.6%
$2.50 to $4.99	$221	-$15	-6.2%
$5.00 to $7.49	$12	-$9.4	-43%
$7.50 to $9.99	$10	-$3.2	-25%
$10.00 to $14.99	$14	-$10	-42%
$15.00 to $19.99	$7.9	-$0.9	-10%
$20.00 to $29.99	$7.3	-$3.2	-30%
$30.00 to $49.99	$4.2	-$3.5	-45%
$50.00 to $99.99	$2.9	-$2.1	-41%
$100.00 to $199.99	$1.6	$0.5	45%
$200.00 and over	$1.5	$0.6	60%
Total value	$366	-$45	-11%

In the 12 months ended September 2023, exports to the US valued below $5 per litre FOB declined by 4 per cent in value to $305 million and 2 per cent in volume to 129 million litres, with the decline in packaged exports in this price segment being partially offset by growth in unpackaged exports. Exports above $5 per litre declined at stronger rates – down by 34 per cent in value to $61 million and 37 per cent in volume to 5.2 million litres.

In the US off-trade market, 84 per cent of Australia's sales are in the US$4 to US$7.99 per bottle price segment, which declined for the total market by 9 per cent in the year ended 1 October 2023.[5] All price segments of wine in the US market declined during the past 12 months, with lower price segments decreasing most. However, Australia is outpacing the total US off-trade wine market at higher price segments, growing by 2 per cent between US$15 and US$25 per bottle, while the total price segment declined by 4 per cent during the period. Australia's growth was driven by Cabernet Sauvignon.

Wine Australia's Regional General Manager Americas Aaron Ridgway said, "While it is too early to assign a growth trend to the September quarterly figures, it represents a very bright spot amid tough numbers for wine generally. Distributors continue to report surplus inventories and reduced turn in retail as the market shifts back toward pre-COVID demand and fears of a recession weigh on consumer confidence. Australia's competitive advantage in this highly desirable yet challenging marketplace remains strong: Cabernet in particular is an opportunity as domestic supply of the variety from key appellations faces supply constraints and upward pressure on pricing."

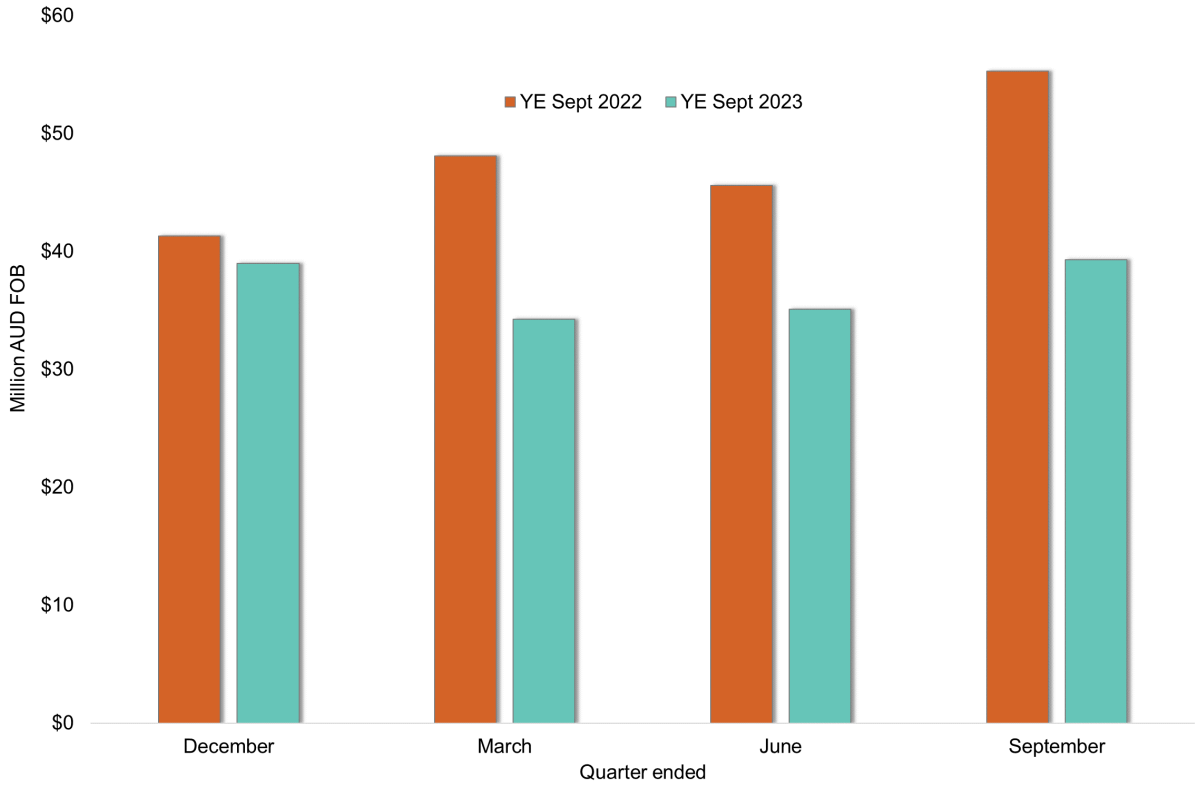
[5] Circana

Canada

In the 12 months ended September 2023, Australian wine exports to Canada declined by 22 per cent in value to $148 million, the lowest level since 2002. Volume increased by 20 per cent to 74 million litres, a near record level. As value declined and volume increased to unprecedented levels, average value fell by 35 per cent to $1.99 per litre FOB, the lowest level since electronic records began in 1990. This reflects the shift toward packaging some products in-market.

The value decline continued in the latest quarter, falling by 29 per cent compared to the corresponding quarter in the previous year (see Figure 12). Volume, on the other hand, had been growing for nearly two years but declined in the September 2023 quarter by 13 per cent. The quarterly decline in volume was mainly in packaged wines, while unpackaged exports were stable.

Figure 12: Value of exports to Canada by quarter



In the 12 months ended September 2023, packaged exports to Canada declined by 34 per cent in value to $102 million and 35 per cent in volume to 17 million litres. The average value of packaged exports grew by 1 per cent to $6.19 per litre. Unpackaged wine exports to Canada increased by 32 per cent in value to $45 million and 59 per cent in volume to 57 million litres. The average value of unpackaged wine fell to $0.78 per litre FOB. Much of the unpackaged volume is likely bound for supermarket brands, mainly in Quebec, which are labelled as Australian, but some volume is also blended into non-Australian labelled products. This growth in unpackaged exports is impacting the average value of exports and, consequently, the overall value of exports to Canada as unpackaged shipments do not include packaging costs.

Red wine exports to Canada fell from a 64 per cent volume share to 58 per cent during the period. Still red wine exports declined by 30 per cent in value to $81 million but grew by 9 per cent in volume to 43 million litres. This trend was driven by an increase in unpackaged red wine exports, while packaged exports of red wine decreased. Like the UK, this increase in unpackaged red wine exports at relatively low prices reflects the undesirable level of Australian red wine inventories. In its September market update, wine broker Ciatti reported bulk wine prices for most red varieties at under

US$0.60 per litre, for Australia. Bulk red wine prices were also low for other producing countries such as France, Spain and Chile.

Still white wine exports to Canada declined by 6 per cent in value to $55 million but grew by 43 per cent in volume to 29 million litres. The volume growth was driven by unpackaged white wine exports doubling during the year. Sparkling and carbonated exports declined by 66 per cent in value to $4.3 million and 68 per cent in volume to 640,662 litres.

Figure 13: Exports to Canada by price segment (Million AUD FOB)

Price segment (A$/litre)	MAT September 2023	Value change	Growth rate
$2.49 and under	$45	$11	33%
$2.50 to $4.99	$25	-$10	-29%
$5.00 to $7.49	$41	-$29	-41%
$7.50 to $9.99	$17	-$4.6	-21%
$10.00 to $14.99	$13	-$9.1	-41%
$15.00 to $19.99	$2.5	-$0.8	-23%
$20.00 to $29.99	$1.5	-$0.5	-24%
$30.00 to $49.99	$1.4	$0.0	-2.5%
$50.00 to $99.99	$0.5	-$0.3	-36%
$100.00 to $199.99	$0.3	$0.0	13%
$200.00 and over	$0.2	$0.1	231%
Total value	$148	-$43	-22%

Exports to Canada valued below $5 per litre increased by 2 per cent in value to $70 million and 40 per cent in volume to 64 million litres. This growth was driven by unpackaged wines and offset by declining packaged exports. Exports above $5 per litre FOB declined at stronger rates – declining by 36 per cent in value to $78 million and 38 per cent in volume to 10 million litres. Much of this decline was recorded in the $5 to $7.49 per litre price segment (see Figure 13).

Northeast Asia

In the 12 months ended September 2023, exports to Northeast Asia increased by 2 per cent in value to $326 million and declined by 22 per cent in volume to 27 million litres. The average value of exports to this region grew by 31 per cent to $12.13 per litre FOB.

The only destination in growth was Hong Kong, with exports up 26 per cent in value to $205 million and 1 per cent in volume to 7.8 million litres. This growth was driven by exports valued above $10 per litre FOB, which increased by 33 per cent in value to $186 million, although growth did slow in the September 2023 quarter. Hong Kong is a major trading hub and therefore some of the wine is on-shipped to other Asian markets. As with all trading hubs globally, export levels can vary to these types of markets depending on changes in business practices of shipping directly to the selling destination or vice versa.

Figure 14: Exports to Northeast Asia by destination market

	Volume		Value	
Market	**Million litres**	**% change**	**$ Million**	**% change**
Hong Kong	7.8	1%	$205.0	26%
Japan	11.6	-16%	$46.3	-10%
South Korea	3.5	-25%	$31.9	-27%
Taiwan	2.8	-10%	$25.1	-16%
Macau	0.2	-20%	$10.6	-10%
China mainland	1.0	-80%	$7.3	-65%
Total	**26.9**	**-22%**	**$326.1**	**2%**

The decline in volume of exports to Northeast Asia continues to be driven by mainland China, down 80 per cent in volume from 5 to 1 million litres. However, exports to Japan also decreased by 16 per cent from 14 to 12 million litres.

Red wine has a 69 per cent volume share of exports to Northeast Asia, but the share declined by 2 percentage points in the past 12 months in a swing towards white wine (28 per cent share). Still red wine exports increased by 5 per cent in value to $282 million and decreased by 23 per cent in volume to 19 million litres, while still white wine exports declined by 14 per cent in value to $29 million and 20 per cent in volume to 6.2 million litres.

Southeast Asia

In the 12 months ended September 2023, exports to Southeast Asia declined by 12 per cent in value to $257 million and 2 per cent in volume to 23 million litres. Average value declined by 10 per cent to $11.11 per litre FOB.

There were very mixed results by destination. The region's decline in value was driven by Singapore and Malaysia, with the value of exports down 12 and 24 per cent respectively. Singapore remains the number one destination in Southeast Asia for Australian wine exports and, like Hong Kong, is a trading hub in the region whose export levels can vary depending on individual exporter business practices. Offsetting some of Singapore's decline was in exports to Thailand, which grew by 6 per cent to $56 million.

Thailand and Vietnam represented the strongest volume growth in the region, up by 17 and 58 per cent respectively.

Figure 15: Exports to Southeast Asia by destination market

	Volume		Value	
Market	**Million litres**	**% change**	**$ Million**	**% change**
Singapore	7.3	-9%	$116.6	-12%
Thailand	6.7	17%	$56.4	6%
Malaysia	3.1	-34%	$44.5	-24%
Philippines	2.4	-2%	$14.8	0.04%
Indonesia	0.9	-15%	$11.5	-43%
Vietnam	2.3	58%	$9.5	-2%
Myanmar	0.1	82%	$1.6	801%
Cambodia	0.3	2%	$1.3	-40%
Others	0.1	41%	$0.4	59%
Total	**23.1**	**-2%**	**$256.6**	**-12%**

The volume share of red wine exports fell during the past 12 months from 79 per cent to 75 per cent, while the shares of white and rosé wine climbed to 21 and 4 per cent respectively. Still red wine exports declined by 15 per cent in value to $219 million and 7 per cent in volume to 17 million litres, while still white wine exports grew by 15 per cent in value to $21 million and 16 per cent in volume to 3.5 million litres.

Wine Australia Regional Manager Asia Pacific Sarah Roberts said, "Although the Asia Pacific region is reporting varied performance in the latest figures, the long-term trend for the region is positive. As with other wine markets globally, this region is not immune to income pressures and changing consumer preferences and consumption habits, and this is reflected in the latest numbers. However, our neighbouring region is an important part of a diverse export strategy as emerging markets provide new opportunities for growth, albeit in often smaller volumes."

For more detailed data, please go to the Export Dashboard.

About Wine Australia

Wine Australia supports a competitive wine sector by investing in research and innovation (R&I), growing domestic and international markets, and protecting the reputation of Australian wine.

Wine Australia is an Australian Commonwealth Government statutory authority, established under the Wine Australia Act 2013, and funded by grape growers and winemakers through levies and user-pays charges and the Australian Government, which provides matching funding for R&I investments.

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