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Australian wine exports to China exceed $ 1 Bn one year after removal of tariffs

29 April 2025 | News

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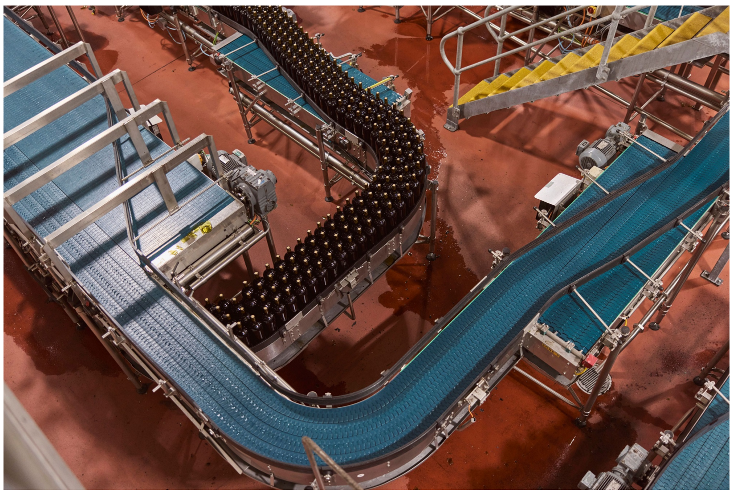

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In the 12 months ended March 2025, Australian wine exports increased by 41 per cent in value to $2.64 billion and by 6 per cent in volume to 647 million litres, according toÂ Wine Australiaâ??s Export ReportÂ released. The average value of exports increased by 33 per cent to $4.09 per litre free on board (FOB), the highest average value in almost two decades.Â

Peter Bailey, Manager, Market Insights, Wine Australia, said, â??The increase in average value is mainly due to the elevated level of premium wine shipments to mainland China, after tariffs on Australian bottled wine were removed at the end of March 2024. The 12 months ended March 2025 represented a full yearâ??s worth of exports to mainland China since the tariffs were eliminated, resulting in 96 million litres of exports to the market, valued at $1.03 billion.

â??While the total value of shipments to mainland China is now at a similar level to the years immediately before tariffs on Australian bottled wine came into force, volume in the last 12 months is 23 per cent smaller than the 5-year average between 2016 and 2020 and 44 per cent below the peak in 2018.

â??Additionally, the average value of packaged wine shipped to mainland China was $23.00 per litre, much higher than any other major export market. The lower volume and high average value demonstrate that mainland China is a premium market for Australian wine and will therefore not solve oversupply issues in Australia.â??

Exports to the rest of the world (excluding mainland China) declined by 13 per cent in value to $1.62 billion and 9 per cent in volume to 551 million litres. This was the lowest value to the rest of the world in ten years and the lowest volume in over twenty years. While the decline in value was mainly driven by Hong Kong as sales transitioned to mainland China, the volume drop was due to the declines in exports to key destinations such as the United Kingdom (UK), the United States (US), and Canada.

In the 12 months ended March 2025, Australian wine exports to the US declined by 17 per cent in volume to 106 million litres and 9 per cent in value to $323 million, making it Australiaâ??s second largest market by volume and third largest market by value. Exports to the United States have been on a long-term decline, with Australian exports now at the lowest level since the early 2000s.

Australian wine exports to the UK, the largest export market by volume, declined by 8 per cent in volume to 208 million litres and 3 per cent in value to $353 million. Despite this decline, the number of exporters shipping to the UK increased to 314 businesses, up by 23 from the previous 12 months. Of the top 20 exporters by value, 15 experienced a growth in export value in the past year.

Exports to Canada declined by 19 per cent in volume to 60 million litres and increased by 3 per cent in value to $151 million. Average value grew by 27 per cent to $2.53 per litre, driven by an increase in packaged exports with an average value of $5 per litre and above, and a decline in unpackaged exports.