

## Exporting wine to China - helpful resources and presentation information

On 28 March 2024, the Australian Government announced the removal of duties on Australian wine exports to China. To support Victorian wine exporters in re-entering Greater China, this document has been developed to support your export journey.

**Notes provided from Tuesday 26 March 2024 with Commissioner for Victoria in Greater China, Brett Stevens.** (Advice subject to change)

### China market insights

- In mainland China and Hong Kong, there has been a decline in imported wine throughout the pandemic period. Refer [Hong Kong Wine Trade Statistics](#) & [China customs statistics](#).
- Due to the challenges around imports and the pandemic, Australia's share of the bottled wine market decreased sharply in the mainland China market and dropped out of the top 10 import source from its former top spot.
- For Victoria, this dropped from \$176 million in the 2019-2020 financial year to \$6 million in 2022-23 (refer [Victorian Food and Fibre Export Performance Report 2022-23](#)).
- France, Chile, Spain and other regions quickly occupied market share. However, across the board, there has been a large decline in imports. For example, [Chile's export to China](#) has decreased 40% and 37% in volume and value respectively.
- The demand for Australian wine is reflected in other areas, such as in an increase in market share in bulk wine climbing up to four in import sources with \$2.68 million US dollars of imports (*Source: China Chamber of Commerce of I/E of Foodstuffs, Native Product and Animal By-products*).
- China's domestic wine industry has not gained significant traction, however there is more recognition of brands for their quality as on par with international brands.
- There is potential for this to grow further due to favourable policies in wine producing regions of Ningxia, Xinjiang, Shandong where the governments have issued relevant development plans to support industry growth.

### Hong Kong market insights

- In Hong Kong where the import process is much easier with no tax for wines, competition remains fierce. While overall volume and value of imports have decreased, we have seen some increases for Australian wines.
- However, this growth could be skewed due to the possible destination of products not being Hong Kong, using Hong Kong simply as a landing pad.
- We see an increased interest in wine culture from younger and middle-class consumers as part of a wider trend in pursuing higher quality of life.
- While wine is still used for gifting and business occasions, the shift over the past decade towards wine as a product to be consumed personally and purchased as part of daily shopping has continued.
- Consumer research has found that wine is often purchased with attention to its health benefits, with a preference for red wine due to its associated benefits for cardiovascular health.

### **Wine categories and consumption\*\***

- In terms of the different categories' consumers choose to purchase, red wine is the most popular, accounting for 54.6% of the total, followed by white wine at 31.2% of and rosé at 14.2%.
- Consumers of dry red and white wine are mainly concentrated in the first tier and emerging first-tier cities, while consumers of sweet wine are mainly middle-aged in second and third tier cities, accounting for more than 70% of the overall consumption.
- There is also an increased demand in sparkling wine largely stemming from 25–30-year-old consumers in first tier and second-tier cities.
- Market research indicates that more than half of the consumers purchase wines priced at RMB 100-500, and the distribution of price acceptance shows a decreasing trend from the middle to both sides, with prices too low or too high being less attractive to consumers.
- In younger consumers, there has been an increased interest in low alcohol content beverages. This plays favourably for Victoria's lighter fresher wines. Although this category remains small in scale, there is clear response in the market to then needs of the younger generation.

*\*\* Data source: Wine Industry Market Research Report, Industrial Research Thinktank*

### **Consumer purchasing model and the rise of e-commerce**

- The way that consumers are purchasing is also different to pre-pandemic times. For those entering or re-entering the market, it's important to consider e-commerce.
- The pandemic, particularly the frequency of lockdowns, has given way to more consumers in China purchasing daily necessities online.
- This has expanded into groceries including fresh food items being purchased online instead of at wet markets or supermarkets, normalising using online shopping for a wider range of goods.
- Retail stores, particularly supermarkets, have adopted hybrid models that serve both consumers who physically visit the stores, while also offering free delivery for online purchases within a certain radius as a micro-online order fulfilment centre.
- The online wine market is growing with almost three quarters of wine consumers having purchased wine online.
- Social media also plays a vital role with 48% gaining information on wine through short video platforms.

### **Local partners**

- In the past, China's imported wine industry relied heavily on distribution channel to drive performance growth.
- Due to challenges from both the pandemic and tariffs situation, the imported wine distributor scenario in China has changed vastly. Some distributors who previously imported Australian wine have changed to focus on wine from other regions.
- Due to impacts from the pandemic on supply chains, some private distributors and other players in the market have vanished or been absorbed into larger State-owned enterprises.
- For those considering re-entering the market, the Victorian Government in-market team has established a wide network that can assist in connecting you to distributors and other partners.

## Regulatory

- There has been a significant change to regulatory requirements, with the introduction of new facility registration requirements for all F&B products being imported into China, including wine.
- These new facility registration and labelling requirements were implemented on 1 January 2022, and require production facilities (most commonly either the winery or bottling facility) to be registered with the General Administration of Customs of China (GACC) as a precursor to your wine being imported to China. Labels must include a registration number.
- Under this new regulation we have seen instances of wine shipments being landed in China and having to be returned due to non-compliance. Please work with your importer to ensure labelling meets the entry requirements for China.
- It's important to understand that the China market itself is not only different from the rest of Asia and the global market, but that domestically given its vast geographical span, there are multiple regional nuances and differences.
- For those re-entering the market, it's important not to assume that the market is the same as before the pandemic.
- Refer to the [Wine Australia website](#) for detailed guidance on GACC requirements.

## HELPFUL RESOURCES

Export registration resources		
Australian Department of Agriculture, Fisheries and Forestry (DAFF)	Product and establishment registration in the China Import Food Enterprise Registration (CIFER) system.	<a href="https://www.agriculture.gov.au/biosecurity-trade/export/export-registration-with-china">https://www.agriculture.gov.au/biosecurity-trade/export/export-registration-with-china</a>
Wine Australia	Registration, market updates and labelling requirements	<a href="https://www.wineaustralia.com/news/china-updates">https://www.wineaustralia.com/news/china-updates</a>

Australian Government trade support		
Australian Trade and Investment Commission (Austrade)	Information and tools on how to grow your business globally	<a href="https://export.business.gov.au/">https://export.business.gov.au/</a>
Australian Trade and Investment Commission (Austrade)	Services and grants	<a href="https://www.austrade.gov.au/en/how-we-can-help-you/australian-exporters">https://www.austrade.gov.au/en/how-we-can-help-you/australian-exporters</a>
Australian Trade and Investment Commission (Austrade)	Events (upcoming activity)	<a href="https://www.austrade.gov.au/en/events">https://www.austrade.gov.au/en/events</a>
Department of Foreign Affairs and Trade (DFAT)	About global markets and Free Trade Agreements (FTAs)	<a href="https://ftaportal.dfat.gov.au/">https://ftaportal.dfat.gov.au/</a>
Export Finance	Advice on finance for export trade and overseas infrastructure development	<a href="https://www.exportfinance.gov.au/">https://www.exportfinance.gov.au/</a>

**Australian Government trade support (cont.)**

Intellectual Property Australia	Intellectual Property (IP) rights and legislation	<a href="https://www.ipaustralia.gov.au/about-us">https://www.ipaustralia.gov.au/about-us</a>
Australian Bureau of Statistics (ABS)	Latest statistics on international trade	<a href="https://www.abs.gov.au/statistics/economy/international-trade">https://www.abs.gov.au/statistics/economy/international-trade</a>

**Victorian Government trade support**

Global Victoria	Information on Global Victoria and how we can support your export journey	<a href="https://global.vic.gov.au/">https://global.vic.gov.au/</a>
Global Victoria	Food and Fibre Performance Report	<a href="https://global.vic.gov.au/news-events-and-resources/resource/victorias-food-and-fibre-export-performance-summary-2022-23">https://global.vic.gov.au/news-events-and-resources/resource/victorias-food-and-fibre-export-performance-summary-2022-23</a>
Global Victoria	Victoria House also known as VicHouse (promotional facility in Shanghai)	<a href="https://agriculture.vic.gov.au/export/vic-house">https://agriculture.vic.gov.au/export/vic-house</a>
Invest Victoria	Information on investment attraction to Victoria	<a href="https://www.invest.vic.gov.au/">https://www.invest.vic.gov.au/</a>
Agriculture Victoria	Pathways to export	<a href="https://agriculture.vic.gov.au/export/pathways-to-export">https://agriculture.vic.gov.au/export/pathways-to-export</a>
Business Victoria	Support for Victorian businesses, from business planning to grants	<a href="https://business.vic.gov.au/">https://business.vic.gov.au/</a>

**Victorian Government trade communication channels**

Global Victoria website	<a href="https://global.vic.gov.au/">https://global.vic.gov.au/</a>
Global Victoria export skills training	<a href="https://global.vic.gov.au/get-help-to-export/export-skills-training">https://global.vic.gov.au/get-help-to-export/export-skills-training</a>
Global Victoria LinkedIn	<a href="https://au.linkedin.com/company/globalvictoria">https://au.linkedin.com/company/globalvictoria</a>
Global Victoria China Office LinkedIn	<a href="https://www.linkedin.com/company/vgtichina">https://www.linkedin.com/company/vgtichina</a>
Global Victoria upcoming events	<a href="https://global.vic.gov.au/news-events-and-resources">https://global.vic.gov.au/news-events-and-resources</a>
Invest Victoria	<a href="https://www.invest.vic.gov.au/">https://www.invest.vic.gov.au/</a>

**Industry support**

Victorian Chamber of Commerce and Industry International Services	<a href="https://www.victorianchamber.com.au/services#international-services">https://www.victorianchamber.com.au/services#international-services</a>
Export Council of Australia	<a href="https://export.org.au/">https://export.org.au/</a>
Asialink Business	<a href="https://asialinkbusiness.com.au/country">https://asialinkbusiness.com.au/country</a>
Australian Grape & Wine	<a href="https://www.agw.org.au/policy-and-issues/growing-our-exports/">https://www.agw.org.au/policy-and-issues/growing-our-exports/</a>
Wine Australia	<a href="https://www.wineaustralia.com/">https://www.wineaustralia.com/</a>
Wine Australia China	<a href="https://www.wineaustralia.com/news/china-updates">https://www.wineaustralia.com/news/china-updates</a>
Wine Australia events	<a href="https://www.wineaustralia.com/whats-happening/events">https://www.wineaustralia.com/whats-happening/events</a>
Wine Victoria	<a href="https://winevictoria.org.au/">https://winevictoria.org.au/</a>
Australian China Business Council	<a href="https://acbc.com.au/">https://acbc.com.au/</a>

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For Victorian Government Trade and Investment Office (VGTI) Greater China contact information and about Global Victoria visit <https://global.vic.gov.au>.

*Disclaimer: Information we provide to you is intended to support your business and/or industry by informing you of current information and trade opportunities. This includes, but is not limited to, providing retailer, distributor, wholesaler, and other market information. While this information may be of assistance to you, we do not accept responsibility for any loss that may arise to your business from the information provided. You should make and rely upon your own enquires as to the suitability of any information and opportunities and seek independent professional advice, if needed.*

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