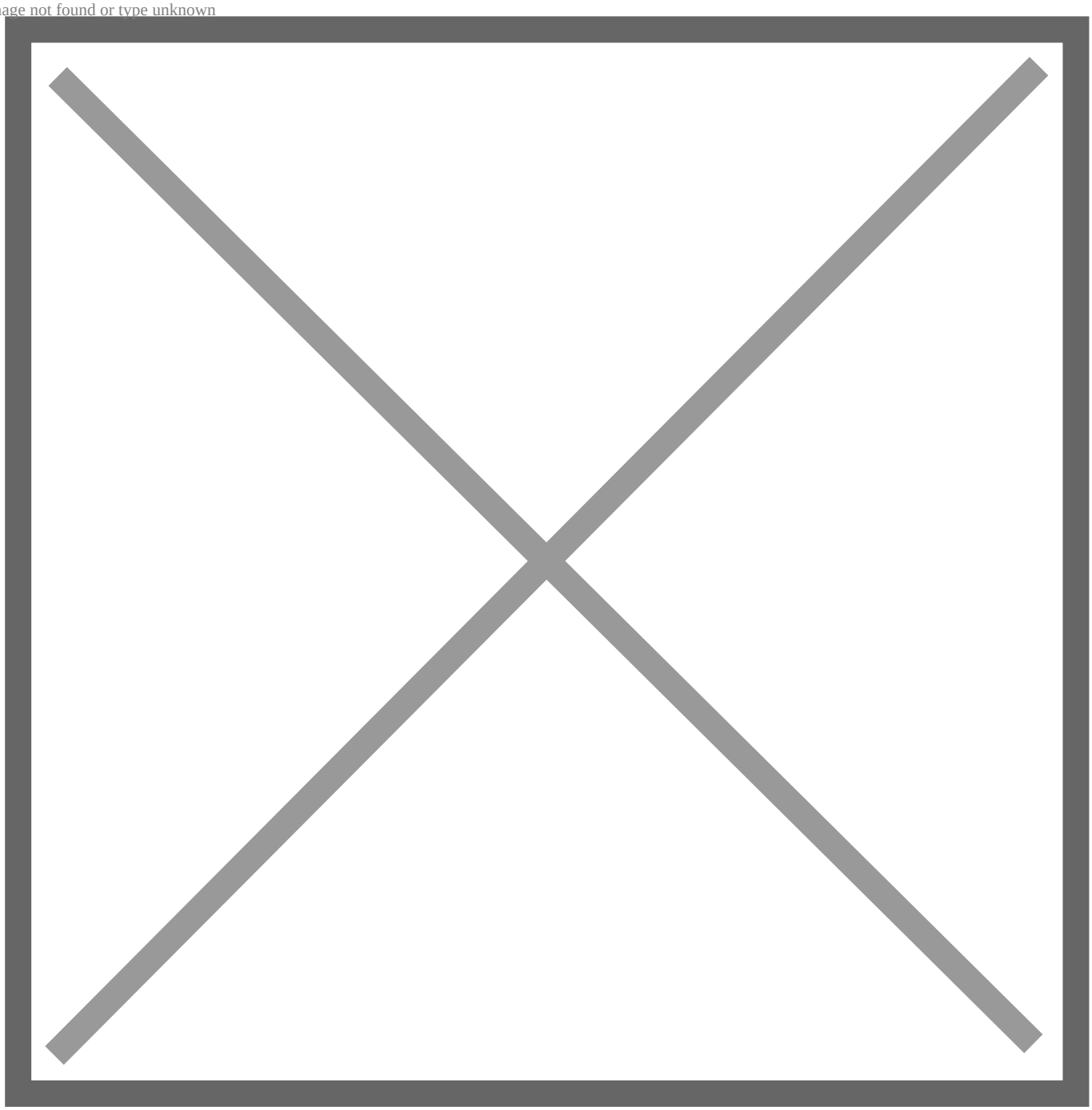
Analysis of Recent Growth in China's Wine Imports

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On April 18th 2016 the OIV – International Organisation of Vine and Wine – published its report Global State of Conditions: Developments and Trends. China comes up frequently. Being a sector of

strong interest for European SMEs, the EU SME Centre reviewed OIV's data and has analysed it to provide you with some of the key trends in the market.

China imports jumped by 44.1% in the past years (2014 and 2015), reflecting 5.5 million hectolitres or 553,601,982 litres to be precise. In value, however, the growth was 33.8%. In contrast, we can see that sparkling wine did not have a good year, as imports decreased 9.7%.

Not all wine arrives to China once bottled; one fourth of the wine imported by China is bulk wine. Bulk wine had an astounding growth of 78%, with Chile the dominant supplier for bulk wine and Qingdao the port of choice for entry of bulks.

Regarding ports, Shanghai and Shenzhen stand out from the crowd, receiving 55% of wine imports in value. Qingdao received 20% in volume and only accounts for 6% of imports in value.

Are you curious to know the average price in 2015 of a bottle of wine imported to China? EUR 3.2/bottle – that typical bottle will be sold on the shelves with a price tag of about CNY 120 (or EUR 17), which is more than twice the price of the same bottle sold off-trade in the country of origin. As a comparison, imported bulk wine has an average price tag of a little more than EUR 0.6 per litre.

The EU did very well in 2015. The Old World countries have seen two digit growth, except for German wines, which is surprising given the quality of wines in the region, such as Riesling wines. Among wines of the New World there are ups and downs. While Australia is impressing everyone, a heavy contender like New Zealand decreased in 2015, losing 8.6% in volume; a loss still better than the worries of the USA – its wineries sent to China almost 23% less wine (in value) than in 2014. There are also a number of Eastern European countries that have started selling wines into China, for example Georgia, Montenegro and Macedonia.

What about the start of 2016? The wine import business in China is on a roll. There are winners and losers of course, but data from the first two months allows us to foresee an excellent year, we will share our comments with you in the next newsletter, but it seems that the days of concern over an excess of stock and the crackdown on corruption are long gone; imported wine is back in China.

Further reading:

EU SME Centre Report: Food and Beverage Market in China

Raw data source is China Customs, analysed by the EU SME Centre