

China, Hong Kong defy export blues

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THE fast-growing Chinese economy has boosted expectations that it will become a key market for Australian wine, with exports expected to top \$100 million for the first time in the next year.

An increasing focus on Western lifestyles has been behind exports soaring by 60 per cent to \$90 million in the past year.

Hong Kong has become the next-fastest-growing market for Australian wine, with sales worth \$42 million, up 24 per cent in the past year.

The performance of the two Asian destinations is in stark contrast to Australia's total exports, which were down 14 per cent at \$2.4 billion in the same time.

As the U.S. (\$721 million) overtook the UK (\$715 million) as Australia's most important wine market, China and Hong Kong have become the two most exciting growth markets.

Australian Wine and Brandy Corporation emerging markets regional manager Ali Hogarth said Australia had moved from sixth to second-largest importing country in China, behind only France.

"We are seeing a considerable trend in China towards

WHERE IT GOES

	Value Moving Annual Total May 2009, A\$	Change %
U.K.	715,052,208	-21.1%
U.S.America	721,570,695	-10.1%
Canada	210,319,739	-23.2%
Germany	50,548,661	0.4%
China, Pr	90,913,818	59.8%
Denmark	45,050,328	-26.0%
Netherlands	57,367,472	-21.5%
New Zealand	77,237,218	-11.0%
Ireland	45,866,345	-35.1%
Japan	51,225,398	4.9%
Belgium	24,785,370	-4.2%
Sweden	38,169,182	-10.3%
Hong Kong	42,559,790	29.1%
France	10,473,818	-23.1%
Singapore	41,191,170	-9.4%
Rest of World	171,086,182	-6.7%
World	2,393,417,395	-13.7%

buying goods and services from other countries," she said. But she said that Asia represented just 7 per cent of Australia's wine exports.

In China, the existing buying strength was mainly confined to the east coast and southern China, with an estimated 50 per cent of total wine purchases made in Shanghai.

Hong Kong was a much smaller wine market, but it had good upside following the removal of all wine tariffs early last year.

CHANGE: Ali Hogarth... "trend in China towards buying goods and services from other countries".

