WA wine exports: building an economic future with China

What we know about WA production

WA relative to Australian production

- 25% Volume
- 12% Value
- 5% Fine wine

@BankwestCurtin  #winechina
Export share of WA production
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WA exports vs production

WA exports (red line) and Wine production (blue line) from 2002-03 to 2014-15. Exports show a general decline, while production fluctuates.
The research

→ Qualitative interviews over a 6 month period

→ 6 key industry stakeholders

→ 26 wine producers across all WA wine regions (including exporters and non-exports)

→ Transcription of interviews, coding, thematic analysis
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Study demographics

Number of producers by GI Region

- Blackwood Valley
- Geographe
- Great Southern
- Manjimup
- Margaret River
- Peel
- Pemberton
- Perth Hills
- Swan Valley

Number of producers by GI Region:

- Blackwood Valley: 3 producers
- Geographe: 3 producers
- Great Southern: 6 producers
- Manjimup: 2 producers
- Margaret River: 4 producers
- Peel: 2 producers
- Pemberton: 4 producers
- Perth Hills: 1 producer
- Swan Valley: 2 producers
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Study demographics

Number of producers by GI Region
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Study demographics

Number of producers by annual case production

- <999
- 1000-1499
- 1500-2499
- 2500-4999
- 5000-9999
- 10000-19999
- 20000-49999
- 50000-99999
- 100000-249000
- 250000-499999

Number of producers
Findings:

Major themes
Theme 1: Is WA too small?

After many tough years, Australian wine exports are on the rise (China exports up by 66% while the biggest increase by value is in premium segment of the market)

In 2015, China represented the biggest increase by value in Australian wine exports

China is WA’s largest export market by value (approximately 32%-35% by value)

WA is well-suited to meet a slice of premium wine demand in China
Theme 2: The distribution black hole

20,000 wine importers in China, with 4,000 of those registered as importers of bottled wine

There must be a vetting process that identifies the most suitable importers for WA wines—made available to all producers

State and regional peak bodies should get behind Chinese wine distributor ‘roadshows’
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Theme 3: Packaging/Product Development

Must be creativity around labels, colouring, and wine descriptors

Investigate the value of creating new wine brands specific to the Chinese market
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Theme 4: Marketing/branding

Create a branding exercise that is regional, yet under the umbrella of WA wines

Scan code on labels that takes Chinese consumers to Mandarin language videos of each brand’s region, explaining provenance
Many small producers with high quality wines can’t afford to export to China.

Create collaborative arrangements where multiple small producers fill containers and spread costs (could be regional or state-wide).
WA WINE EXPORTS: Building an Economic Future with China