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China Wine
Market & Forecast

Mr. Xuwei Wang
Directory

- Brief Introduction on CAWS
- Imported wine in China
- Chinese Wine Market in 2012
Ministry of Commerce

CFNA-Only National Association for Imp & Exp of Food and Drink

CAWS-China Association for Importers & Exporters of Wine & Spirits
CAWS

- Approved by Ministry of Civil Affairs
- Established in Nov 2012
- Only National Association for Imp & Exp of Wine & Spirits
Main Members of CAWS

- Leading Wine Importers in China: C&D, Grand Echo, Utran, etc.
- Leading Wine & Spirits distributors: Beijing Sugar, Tobacco & Alcohol
- Leading Wine E-Commerce: Jiuxian, Yesmywine, etc.
Imported Wine in China

Characteristics

- Rapid Growth
- Bigger Scale
  Higher Import Price
- Concentration Ratio Increase
- Main Supplier
  More Market Share
Import Grows Rapidly

volume & value grows, number of importers increases, average import price lower

Bottled Wine in 2012:

- 266 million liter, 10.4% growth
- USD1.38 billion, 8.1% growth
- 4, 424 importers, 16.9% growth
- Average Price USD5.17/liter, 2% lower
Concentration Ratio

Distribution of company number:
- 10 million+
- 5 million+
- 1 million+
- 0.5 million+
- 0.1 million+
- 0.1 million-

Distribution of import amount:
- 10 million+
- 5 million+
- 1 million+
- 0.5 million+
- 0.1 million+
- 0.1 million-
Concentration Ratio Decrease

- USD10 million+, 13 companies, 24% market share
- USD 1 million+, 229 companies, 62% market share
- 37% importers out, more come.
Smaller Scale, Lower Import Price

- Bottled wine 2012 for example, USD 10 million+, average price USD 8.52/L, 65% higher than average;

- USD 10 million-, lower than average.
Bottled wine from 54 countries in 2012, 12 countries above USD 10 million, including France, Australia, Chile, Spain, Italy, USA, New Zealand, South Africa, Argentina, Germany, Portugal and Canada.

127 million liter and USD728 million from France, 48% of total volume and 53% of total value; 19 million liter and USD78 million from Italy.
2008-2012 Import Volume & Value of Wine

- Total Volume 1 million liters
- Total Amount USD1 million
2008 Countries Distribution Diagram of China Import Volume of Wine

- Australia: 9%
- Spain: 6%
- Italy: 5%
- United States: 4%
- South Africa: 3%
- Germany: 1%
- Argentina: 16%
- France: 17%
- Chile: 32%
- Others: 2%
2009 Countries Distribution Diagram of China Import Volume of Wine

- Australia: 22%
- Italy: 4%
- United States: 6%
- South Africa: 3%
- Germany: 1%
- Spain: 5%
- Argentina: 26%
- Chile: 28%
- Others: 1%

(source: vinitaly INTERNATIONAL)
2010 Countries Distribution Diagram of China Import Volume of Wine

- Argentina: 26%
- Chile: 20%
- France: 26%
- Italy: 7%
- Spain: 17%
- Australia: 20%
- United States: 4%
- South Africa: 1%
- Germany: 1%
- Others: 2%

20% of the import volume is from Argentina, followed by Chile and France with 20% each.
2011 Countries Distribution Diagram of China Import Volume of Wine

- 34% France
- 12% Spain
- 12% Australia
- 4% United States
- 8% Italy
- 4% South Africa
- 1% Germany
- 1% Portugal
- 12% Chile
- Others 20%
2012 Countries Distribution Diagram of China Import Volume of Wine

- **Spain**: 18%
- **Australia**: 11%
- **France**: 36%
- **Portugal**: 1%
- **Italy**: 8%
- **United States**: 4%
- **South Africa**: 1%
- **Germany**: 1%
- **Chile**: 16%
- **Others**: 1%
2008 Countries Distribution Diagram of China Import Value of Wine

- Australia: 16%
- Argentina: 36%
- France: 36%
- Chile: 15%
- Germany: 3%
- Others: 8%
- South Africa: 1%
- Spain: 5%
- Italy: 7%
- United States: 5%
- United States: 5%
- Italy: 7%
2009 Countries Distribution Diagram of China Import Value of Wine

- **Australia**: 22%
- **Spain**: 4%
- **Italy**: 5%
- **United States**: 6%
- **South Africa**: 2%
- **Germany**: 2%
- **New Zealand**: 2%
- **Chile**: 12%
- **France**: 41%
- **Others**: 2%

The pie chart illustrates the distribution of China's wine import value by country for the year 2009.
2010 Countries Distribution Diagram of China Import Value of Wine

- Australia: 19%
- Spain: 6%
- Italy: 6%
- United States: 5%
- South Africa: 1%
- Germany: 2%
- New Zealand: 1%
- Chile: 10%
- France: 45%
- Others: 2%

Total: 100%
2011 Countries Distribution Diagram of China Import Value of Wine

- **Australia**: 15%
- **Italy**: 6%
- **United States**: 4%
- **South Africa**: 1%
- **Germany**: 1%
- **New Zealand**: 51%
- **France**: 7%
- **Spain**: 7%
- **Australia**: 15%
- **New Zealand**: 1%
- **Others**: 5%
- **Chile**: 7%
2012 Countries Distribution Diagram of China Import Value of Wine

- **Australia**: 15%
- **Italy**: 6%
- **United States**: 5%
- **South Africa**: 1%
- **Germany**: 1%
- **New Zealand**: 2%
- **France**: 49%
- **Chile**: 10%
- **Others**: 49%
Import Volume of Wine to China 2006 - 2012

Unit: 10 million liters

2006: 10.98
2007: 14.73
2008: 18.16
2009: 17.12
2010: 30.49
2011: 36.16
2012: 38.80
Top 4 in imported bottled wine: France, Australia, Chile and Spain.

It can be seen from the statistics that the average price of the imported bottled wine was $5.17/liter in 2012, which decreased by $0.11/liter compared with $5.28/liter in 2011, with a decrease by 2%.

In 2012, the largest supplier of imported bottled wine was France, and the import volume was 127 million liters, which had a year increase of 8% and accounted for 48% of the total imports of bottled wine; the import amounted to $720 million, which had a year increase of 3.19% and accounted for 53% of the total import of imported bottled wine.
Top 3 in imported bulk wine: Chile, Spain, Australia.

In 2012, China’s largest bulk wine importing country was Chile. The import amount was USD 61 million, which had a year increase of 74% and accounted for 42% of the total imports of bulk wine; the import volume is 40 million liters, which had a year increase of 55% and accounted for 33% of the total imports of bulk wine. It exceeded Spain and back to the top.

From the import prices, the average price of imported bulk wines was $1.18/liter, which increased by 14.3% when compared with $1.04/liter in 2011.
The consumers education has a rapid development, professional consumers increase substantially.

- The business of wine educational institutions increases fast.

- Wine and Spirit Education Trust (WSET) increases the business in China. By the end of 2012, the enrollment in mainland China and Hong Kong of China exceed that in the UK, becoming the biggest market of WSET.
The consumers education has a rapid development, professional consumers increase substantially.

Consumers are eager for more wine knowledge.

- Wine companies show increasingly high demand for employees.
Conclusion

- The Chinese market is a truly international wine market, and it is full of passion, competition, and hope;
- We welcome promotion, cooperation and exchanges of wine from the world in China, so as to jointly promote the healthy and sustainable development of Chinese wine industry and market;
- We hope that Chinese and foreign wines create a healthy and sincere business environment in this market so as to provide diverse and high-quality wine products for Chinese consumers;
- At the same time, we expect Chinese wine to go to the world more!
Thank You!