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Pouring into the future: will Australia's wine rebound hold?

Australia's wine industry is showing signs of recovery after one of its most challenging decades – but the rebound remains fragile and uneven.

According to ANZ's latest [Agri InFocus report](#), wine exports rose 13 percent in value to \$2.48 billion in the year to June 2025, driven largely by renewed trade with mainland China following the reopening of that market.

Export volumes also increased 3 percent to 639 million litres, though growth was heavily concentrated in China, with mixed results across other destinations.

ANZ Executive Director of Agribusiness Insights, Michael Whitehead, said: "China has re-emerged as a vital outlet for Australian wine, but the market itself is far smaller than it once was, meaning the sector cannot rely on China alone to secure its future."

Exports to China reached 85 million litres worth \$893 million, more than doubling year-on-year. However, the June 2025 quarter was 35 percent smaller in value than the same quarter in 2024, when restocking demand was at its peak, suggesting more modest trade ahead.

At the same time, China's overall wine consumption has collapsed from 1.5 billion litres in 2019 to just 550 million litres in 2024 – a structural reset that makes the market more competitive despite Australia's renewed access.

Beyond China, performance varied across key markets:

- United States: exports fell to a two-decade low, down 12 percent to \$314 million, as shifting health perceptions, declining youth demand, and rising competition from spirits eroded market share.
- United Kingdom: held steady at \$350 million.
- Canada: rose 7 percent in value.
- Southeast Asia: continued its steady growth trajectory.

Domestically, the 2025 winegrape crush lifted 11 percent on the previous year to 1.57 million tonnes, though this remained around 8 percent below the 10-year average of 1.71 million tonnes.

Despite the lift, oversupply in red varieties such as Shiraz and Cabernet Sauvignon continues to weigh on returns, reflecting a mismatch with global consumer demand, which is increasingly shifting toward whites, sparkling and premium alternatives.

Global conditions are also challenging. World wine consumption fell to a 63-year low of 21.4 billion litres in 2024, as younger generations turn to beer, spirits and non-alcoholic options.

"The future lies in diversification, premiumisation and adapting to new drinking habits," Whitehead said. "This includes a stronger focus on whites, sparkling and premium wines, alongside emerging markets."

With a weaker Australian dollar and improving freight conditions, the outlook for 2025–26 is one of cautious optimism. Australia's wine industry is regaining ground, but long-term sustainability will depend on better alignment between supply and demand, and repositioning products to meet evolving consumer tastes.

Further insights can be found in the [2025 Spring edition of ANZ's Agri InFocus report](#).

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