



AUSTRALIA

Country Profile

August 2011

BACKGROUND

Australia is the world's thirteenth largest economy and it holds a position 16 in Global Competitiveness Index 2010-2011 rankings made by World Economic Forum.

Geography: Australia is the flattest continent, with the oldest and least fertile soils; desert or semi-arid land commonly known as the outback makes up by far the largest portion of land. The driest inhabited continent, only its south-east and south-west corners have a temperate climate. The climate of Australia is significantly influenced by ocean currents.

Economy and Infrastructure: Australia has a market economy with high GDP per capita and low rate of poverty. An emphasis on exporting commodities rather than manufactured goods has underpinned a significant increase in Australia's terms of trade since the start of the century, due to rising commodity prices.

Australia has grown at an average annual rate of 3.6 per cent for over 15 years, in comparison to the OECD annual average of 2.5 per cent. Australia is a major exporter of agricultural products, particularly wheat and wool, minerals such as iron-ore and gold, and energy in the forms of liquified natural gas and coal. It is the world's fourth largest exporter of wine, in an industry contributing \$5.5 billion per annum to the nation's economy.

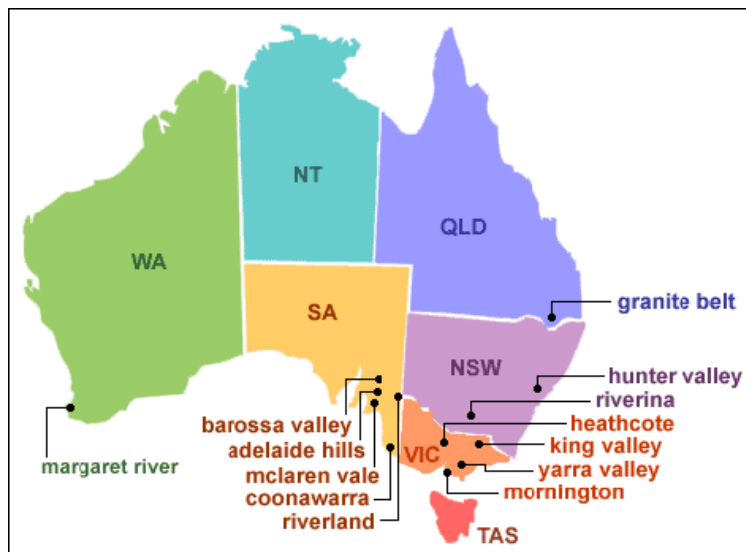
People: Australia's population is currently projected to reach around 42 million. In common with many other developed countries, Australia is experiencing a demographic shift towards an older population, with more retirees and fewer people of working age.

Environment: Australian forests are mostly made up of evergreen species.

THE WINE INDUSTRY

1. AREA UNDER VINES

The area under vine has increased to over 170 000 hectares. Australia has over 60 designated wine regions and is the world's fourth largest wine exporter.



Wine Region	Regional Wine Varieties
Margaret River, WA	Cabernet Sauvignon, Chardonnay, Sauvignon Blanc.
Barossa Valley, SA	Shiraz, Shiraz Grenache, Cabernet Sauvignon, Chardonnay, Riesling.
Adelaide Hills, SA	Sauvignon Blanc, Pinot Noir.
McLaren Vale, SA	Shiraz, Grenache, Shiraz Grenache blends.
Coonawarra, SA	Cabernet Sauvignon, Cabernet Merlot.
Riverland, SA	Cabernet, Shiraz, Merlot, Chardonnay.
Mornington Peninsula, VIC	Chardonnay, Pinot Grigio.
Yarra Valley, VIC	Chardonnay, Pinot Noir.
King Valley, VIC	Chardonnay, Pinot Noir, Sauvignon Blanc, Cabernet, Merlot.
Heathcote, VIC	Shiraz.
Riverina, NSW	Chardonnay, Cabernet, Shiraz.
Hunter Valley, NSW	Cabernet, Shiraz, Chardonnay, Semillon.
Granite Belt, QLD	Cabernet, Shiraz, Merlot.

YEAR	HECTARES
2007	174 000
2008	173 000
2009	176 000
2010	170 000

Source: OIV

2. PRODUCTION

Wine grape production in Australia has increased rapidly in the past 20 years, primarily because of strong demand for Australian wine in export markets. In recent years the growth in demand for Australian wine has slowed, as competition in export markets increased. Australia also had to face increased costs of production, disease issues, world overproduction, large inventories as well as low prices.

Wine production for the 2010/2011 vintage is mostly because of weather related issues.

Wine Production

YEAR	'000 hectolitres
2008	12 448
2009	11 710
2010	11 240

Source: OIV

3. CONSUMPTION

The average wine consumption in Australia is increasing. The total consumption increased by 2.4% from 2009 to 2010.

Consumption

YEAR	MILLIONS OF HL
2008	4 921
2009	5 198
2010	5 325

Source: OIV

Per capita consumption

YEAR	LITRES PER CAPITA
2005	21.1
2006	20.7
2007	20.4
2008	20.1
2009	19.8
2010	19.7
*2011	19.5

Source: 2011 Euromonitor International

4. INTERNATIONAL TRADE

Total exports

YEAR	MILLION LITRES
2005	13.4
2006	15.6
2007	16.6
2008	14.8
2009	14.4

Source: 2011 Euromonitor International

Total imports

YEAR	MILLION LITRES
2005	6.3
2006	7.2
2007	9.2
2008	9.6
2009	10.3

Source: 2011 Euromonitor International
