



CHINA

Country Profile

May 2011

BACKGROUND



Geography: China ranges from mostly plateaus and mountains in the west to lower lands in the east. Principal rivers flow from west to east. Most of the Chinese rivers empty into the Pacific Ocean. The climate of China varies greatly. The northern zone (containing Beijing) has summer daytime temperatures of more than 30 degrees Celsius and winters of Arctic severity. The central zone (containing Shanghai) has a temperate continental climate with very hot summers and cold winters. The southern zone (containing Guangzhou) has a subtropical climate with very hot summers and mild winters.

Due to a prolonged drought and poor agricultural practices, dust storms have become usual in the spring in China. Dust has blown to southern Mainland China and Taiwan, and has reached the West Coast of the United States. Water, erosion, and pollution control have become important issues in China's relations with other countries.

Economy and Infrastructure: China was for a large part of the last two millennia the world's largest economy.

People: Total population is 1 339 724 852, median age 35.5 years and growth rate of 0.85% (2011est.)

Agriculture: Agriculture is an important economic sector of China, employing over 300 million farmers. China ranks first in worldwide farm output, primarily producing rice, wheat, potatoes, sorghum, peanuts, tea, millet, barley, cotton, oilseed, pork, and fish. Although China's agricultural output is the largest in the world, only about 15% of its total land area can be cultivated.

China's limited space for farming has been a problem throughout its history, leading to chronic food shortage.

Environment: The environment in the People's Republic of China has traditionally been neglected as the country concentrates on its rise as an economic power.

THE WINE INDUSTRY

1. AREA UNDER VINES

Chinese vineyards have been planted with vinifera varieties for only a relatively short period of time. The country has its own indigenous vine species which has provided a base for more than a thousand varieties. These have been cultivated - and wine made from them - for more than 1500 years, but it was not until the beginning of the 20th century that production gained any form of scale and formality. In the 1880s, more than 100 vinifera vines were brought to China from Europe by a high-ranking official, in much the same manner as James Busby had done in Australia 50 years earlier. The ChangYu winery was established soon after this, in 1892, and retains a significant position in Chinese wine today.

China has seven wine regions namely:

Northwest (Xinjiang)

Northeast (Jilin)

North (Shanxi, Huailai and Changli in northeast Hebei)

North (Beijing-Tianjin corridor)

East coast (Shandong)

Henan (Yellow River Valley)

Southwest (Yunnan)

YEAR	HECTARES
2007	475 000
2008	480 000
2009	485 000

Source: OIV

(note: although not verified, it is estimated that only 80 000 hectares are wine grapes)

2. PRODUCTION

In 2010, the total wine production of China lifted by 12.38%, reaching 10.888 million hl. The top four wine producing provinces of China are Shandong (3.754 million hl), Ji Lin (2.083 million hl), He Nan (1.503 million hl) and He Bei (995 thousand hl). Wine output in Shandong province increased by 4.79% last year, which accounted for 34.48% of Chinese total wine production.

Wine production of Chinese emerging wine regions made a significant increase, in which Ning xia province achieved the fastest growth - by 416.93% , Fu Jian (188.39%) ranked second and Xin Jiang (186.24%) held third place.

3. CONSUMPTION

Wine is becoming popular with Chinese people. A survey released by internationally authoritative institution shows that Chinese wine production increases as consumption improves, registering an annual growth rate of above 20%.

In current China, wine is not only a product to be consumed, but also a reflection of culture and taste.

The total Chinese wine consumption reached 96.33 million 9-litre cases, equivalent to 1.156 billion bottles, in 2009, an increase of 104% compared to 2005. Legal age per capita wine consumption in China is 2.6 litres per year.

The VINEXPO study expects that between 2010 and 2014, Chinese wine consumption to grow by a further 19.6%, reaching 127 million 9-litre cases by the end of the period.

Per capita consumption

YEAR	LITRES PER CAPITA
2005	1.5
2006	1.7
2007	1.9
2008	2.1
2009	2.3
2010	2.6
*2011	2.9

Source: 2011 Euromonitor International

4. INTERNATIONAL TRADE

Total exports

YEAR	MILLION LITRES
2005	3.5
2006	4.3
2007	9.8
2008	5.9
2009	1.8

Source: 2011 Euromonitor International

Total imports

YEAR	MILLION LITRES
2005	53.6
2006	115.6
2007	148.7
2008	165.1
2009	173.1

Source: 2011 Euromonitor International