

# ANGOVE HAILS RETURN OF WINE EXPORTS TO CHINA

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One of Australia's oldest family-owned wine companies is ready to jump back into the once lucrative Chinese market after three years of punishing tariffs, but admits it's just one part of a broader response needed to address the deep crisis facing growers and producers across Australia's inland regions.

Angove Family Winemakers has deep roots in South Australia's Riverland region, which accounts for more than a quarter of the nation's annual grape crush, but has been among the hardest hit regions amid a growing glut of red wine.

The fifth-generation wine and spirits company, established in 1886 by Dr William Thomas Angove, previously sent about 10 per cent of its exports to China, before Beijing slapped tariffs of up to 218 per cent on Australian wine at the end of 2020 as trade tensions between the two countries - escalated.

A diversified export strategy, and a move from bulk wine trade towards organic, sustainable viticulture and premium McLaren Vale winemaking over the past 25 years have helped to shelter Angove from the devastating impact of the Chinese tariffs.

Last week, Beijing announced it was at last lifting the crippling tariffs on March 29, Good Friday.

Prime Minister Anthony Albanese welcomed Beijing's decision, which he said came "at a critical time for the Australian wine industry".

The removal of tariffs should see China return to being the Australian wine industry's biggest export market.

Angove joint managing director Victoria Angove said the company was eager to resume trade in China, which represented a \$1.2bn market for Australian exporters at its peak before the trade imposts.

“We are very much looking forward to the opportunity to be able to trade back into China – there’s no question,” she said.

“We weren’t as heavily weighted as other businesses but we certainly saw it as a really significant growth opportunity.

“We’ve maintained our relationships with our Chinese customers ... and we know that they’re interested in resuming trade, which is fantastic.

“There’s certainly a significant amount of interest in Australian wine and Australian produce – the integrity of Australian wine and the flavour profiles are really appreciated and I am optimistic.

“I do think it will take some time. The economic environment in China has changed, and I think everyone in Australia is realistic about the fact that it will more than likely take some time to rebuild.”

According to Angove’s latest financial report, around 90 per cent of its production is sold into Australia and New Zealand, while Canada, the UK and Denmark are among the biggest export markets. The US is viewed as a promising opportunity, along with Asian markets such as South Korea, Malaysia and Japan, where Angove is targeting growth with premium labels.

The company generated \$48.9m in revenue in the 12 months to June 2023, but slipped to a \$3.2m loss as cost pressures continued to mount.

Ms Angove described it as a “perfect storm” of challenges facing the industry.

“It is absolutely a challenge and we, like every industry, have seen dramatic increases in our dry goods, bottles, cartons – everything has gone up,” she said.

“And it’s a very competitive environment, given how oversupplied the industry is. The squeeze is real.

“We talk often around the perfect storm in terms of what has hit us, not only as a business but as an industry.

“Certainly, the opportunity to re-engage with China is encouraging but it isn’t a silver bullet and it is going to take our industry some time to work through what is quite a significant oversupply.”

Ms Angove currently sits on the board of Australian Grape & Wine, which is part of a new government and industry taskforce established to investigate the wine glut, with a focus on inland regions.