Wine Australia

Global market update 2026

The global market

Transforming challenges into opportunities



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The reality facing global wine

Major industry challenges

- Declining consumption in many mature markets
- Ageing consumer base
- Increased moderation
- Rising competition
- Economic pressure
- Climate uncertainty



Source: IWSR

Challenge #1:
Health and moderation

Consumers are drinking less

Drivers:

- Health awareness
- Wellness lifestyles
- Reduced drinking occasions
- Increased acceptance of moderation and abstinence

91% practice mindful drinking

Practice at least one of the following mindful drinking behaviours: pacing, setting limits, hydration, self-serving, or alternating drinks



Australia – 89%



UK – 89%



USA – 89%



China – 93%

Source: Nielsen IQ

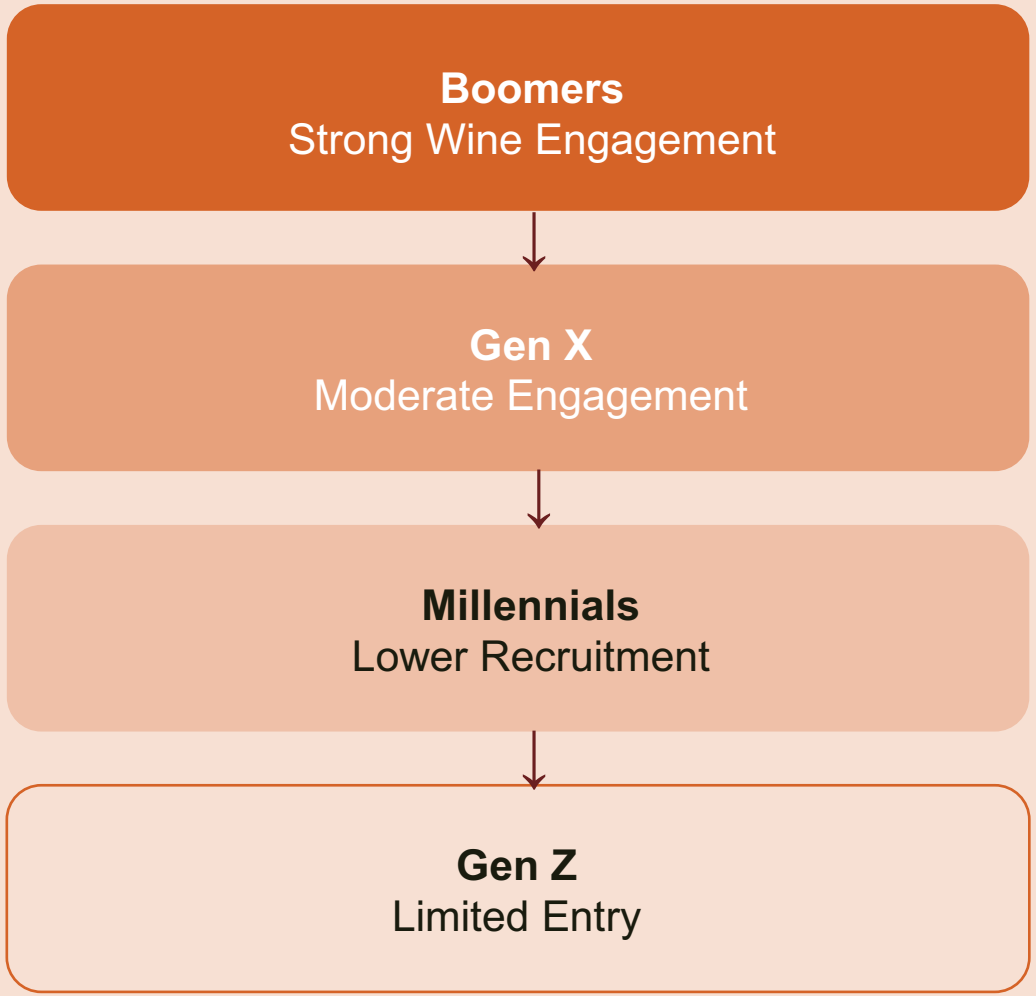
Challenge #2:
Generational change

Wine's biggest demographic challenge is not losing Boomers – it's replacing them.

- Wine consumption skewing older in mature markets
- Older generation moderation key to volume declines
- Younger consumers choosing beer, spirits, RTDs and moderation/abstinence
- Wine perceived as complex, formal and expensive
- Reduced social recruitment into wine culture

Consumer pipeline weakening

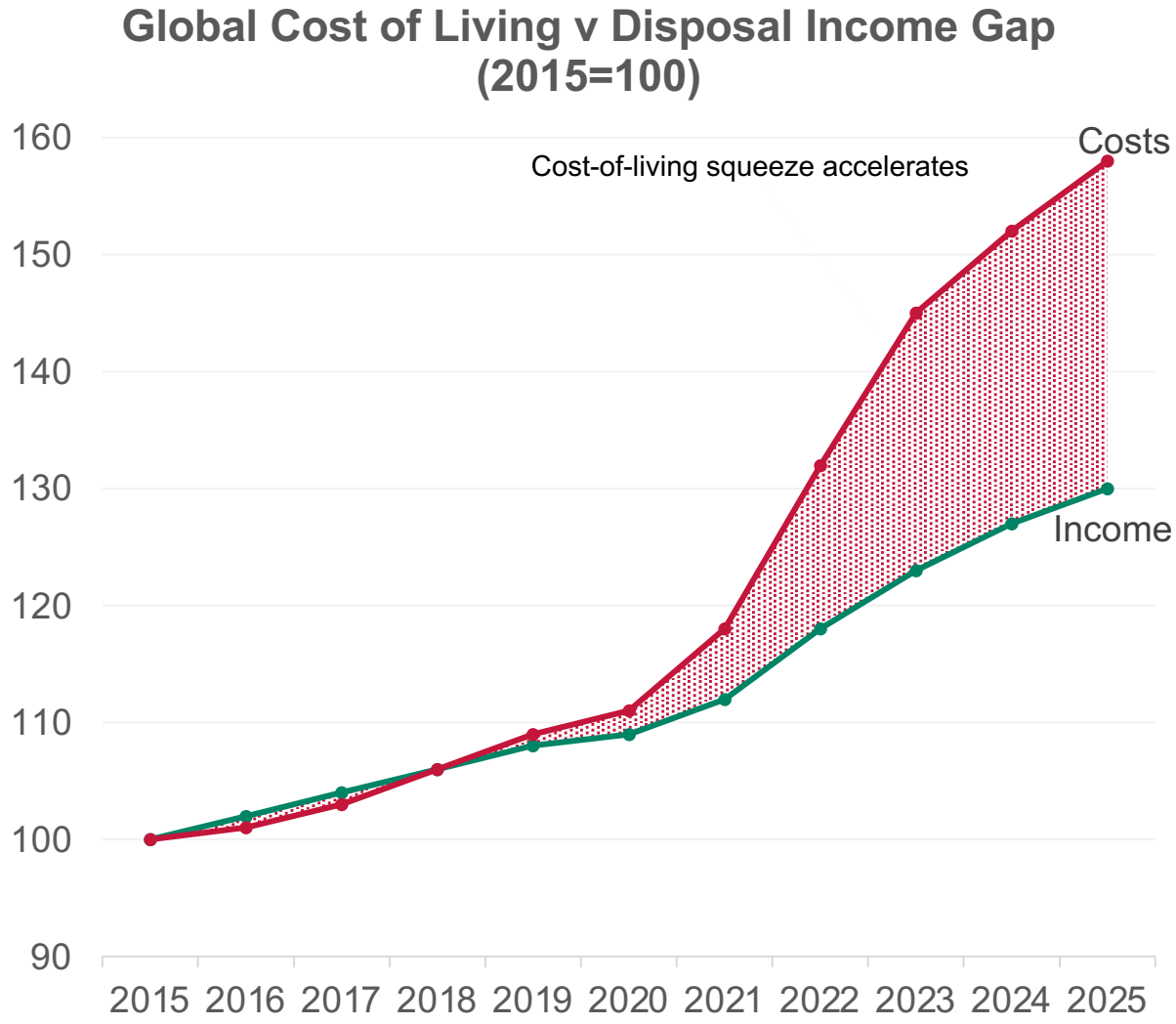
Shrinking recruitment of future wine consumers



Challenge #3:
Economic pressures

More consumers are asking:
“Is this worth it?"

- Highly volatile macro environment
- Cost-of-living squeeze
- Reduced discretionary spending
- Fewer drinking occasions
- Increased focus on value
- Increased competition for share of wallet



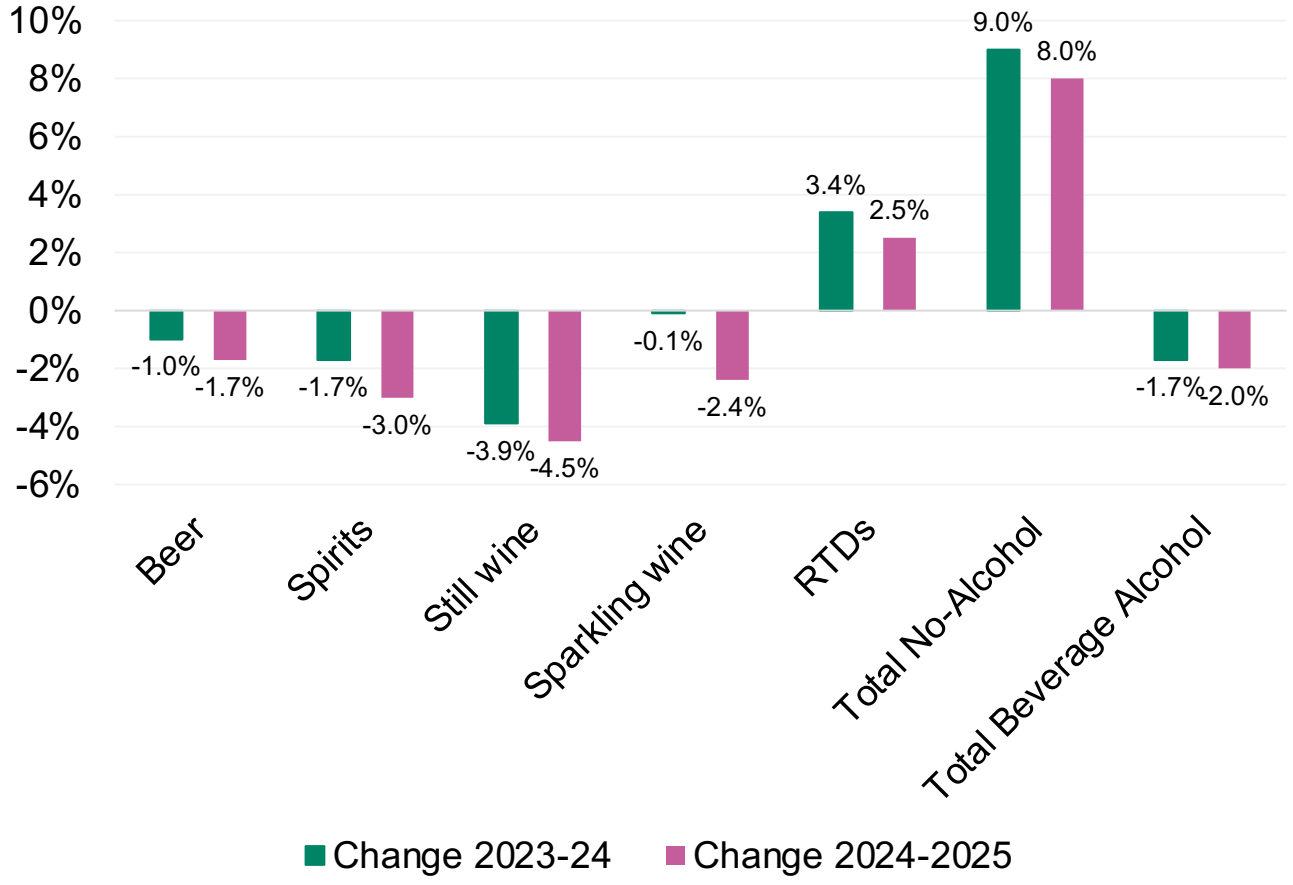
Source: OECD

Challenge #4:
Growing competition

Wine now competes with

- Ready-to-drink beverages
- Craft beer
- Premium spirits
- Cocktails
- Zero-alcohol alternatives
- Wine the worst performing category

Global market performance by category
YOY volume change (%)



Source: IWSR

Challenge #5:
Climate and sustainability

Two simultaneous pressures

Production challenges

- Extreme weather
- Water availability and cost
- Vintage variability

Consumer expectations

- Sustainability
- Ethical production
- Environmental responsibility

Attitudes to sustainability in wine across 5 key markets

Proportion who agree or strongly agree with each of the statements (%)

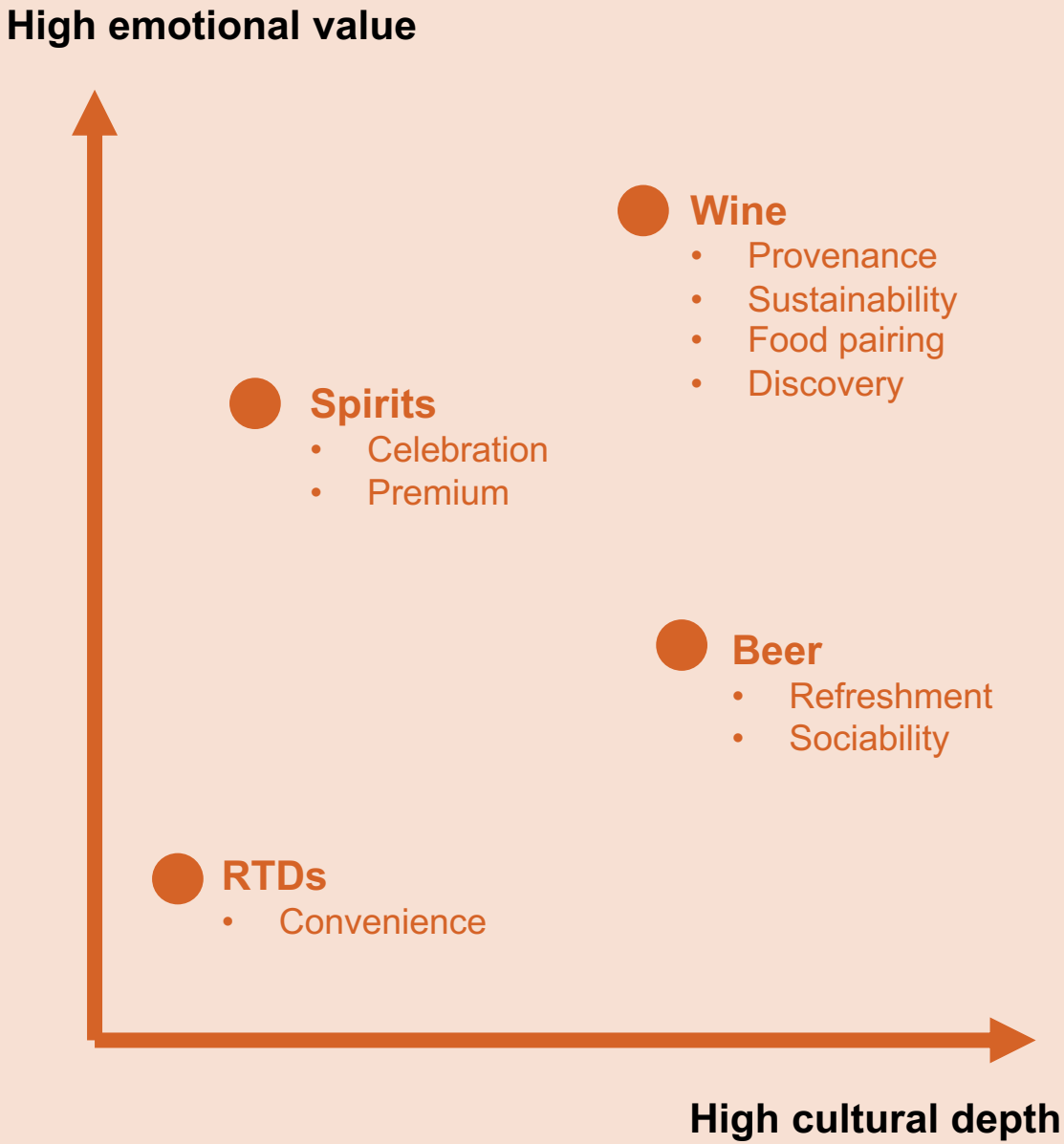
Attitudes to sustainable wine	2025	2023
I only trust the sustainability of wines if they have official certification	57%	53%
Wine is a more sustainable product compared with other drinks	56%	51%
Sustainable wine has fewer chemicals than other wine	53%	53%
I'm willing to pay more for sustainable wine	48%	43%
I will always buy sustainable wines when given the choice	47%	42%
Sustainable wine is always organically produced	43%	41%
Wine packaging and sustainability	**2025**	**2023**
Glass bottles are a sustainable form of packaging	69%	62%
Bag-in-Box is a sustainable form of wine packaging	50%	44%

Source: IWSR

The Opportunity:
Demand has changed, not disappeared

Wine retains powerful strengths

- Authenticity
- Provenance
- Storytelling
- Heritage
- Social connection
- Food and dining



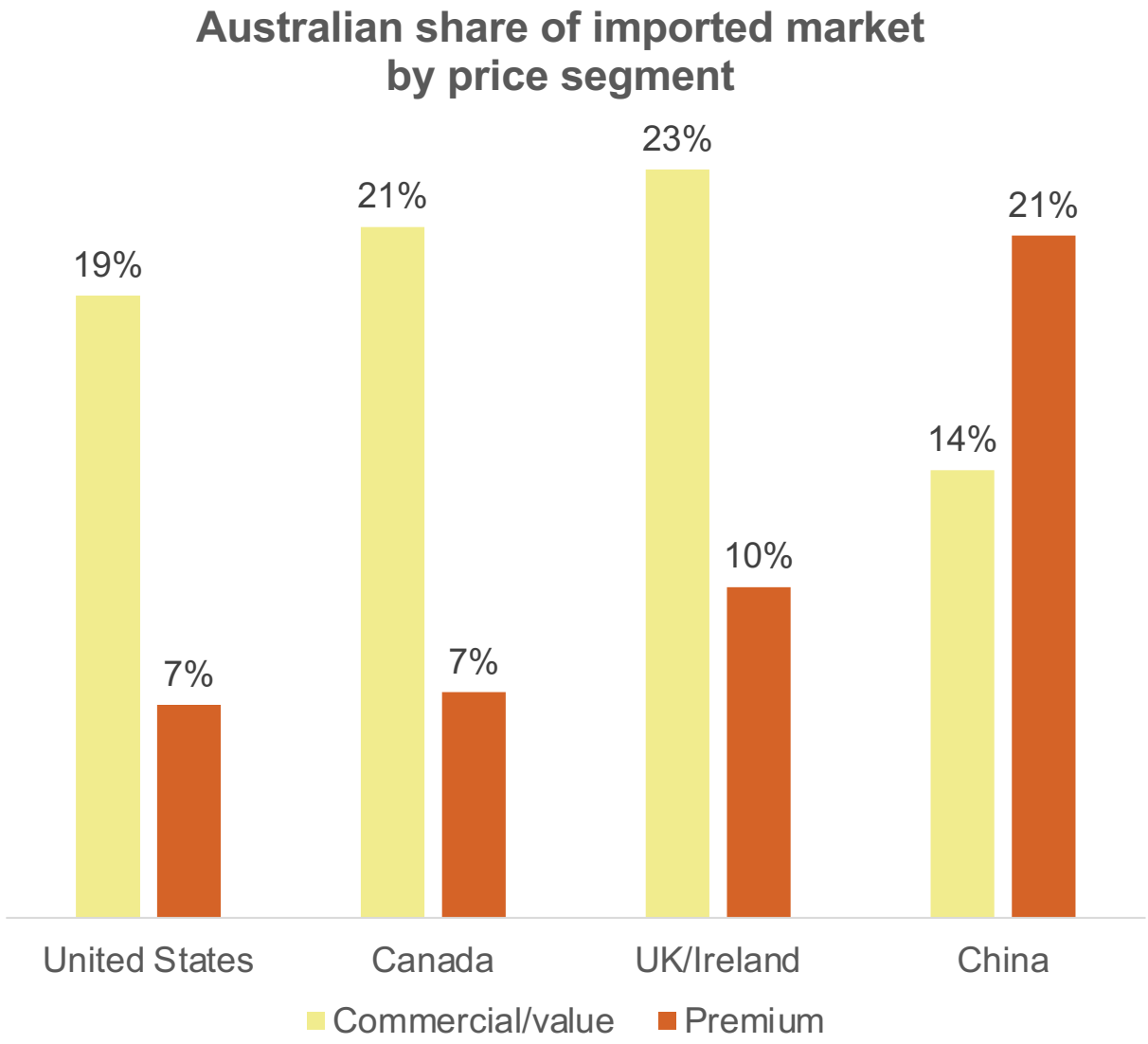
Source: Adapted from various research reports

Opportunity #1: Premiumisation

Drink less. Drink better.

Consumer priorities:

- Quality
- Authenticity
- Experience
- Provenance
- Upside for Australian premium wine in key markets



Source: IWSR

Opportunity #2:
New consumption occasions

Expanding wine's relevance

Growth opportunities include:

- Casual occasions
- Outdoor occasions
- Food experiences
- Tourism experiences
- Celebration occasions



Opportunity #3:
Digital connection

The consumer journey has changed

Awareness → Social Media → Research → Purchase

Key digital channels

- E-commerce
- Direct-to-consumer
- Online communities
- Influencer content
- AI tools



Opportunity #4: Sustainability as differentiation

Sustainability is becoming mainstream and can create value

Areas of differentiation:

- Environmental credentials
- Sustainable packaging
- Regenerative practices
- Transparency

Preference in Marketing Value of Label Statement
(Ranked First among US Trade)

Statement	2025	2022
Certified Sustainable	**52%**	24%
Sustainably Produced	27%	49%
Logo/Trustmark	21%	27%

"Certified Sustainable" was the clear favorite, being ranked first by 75% of importers, 54% of the on-premise trade, 42% of distributors, and 55% of retailers.

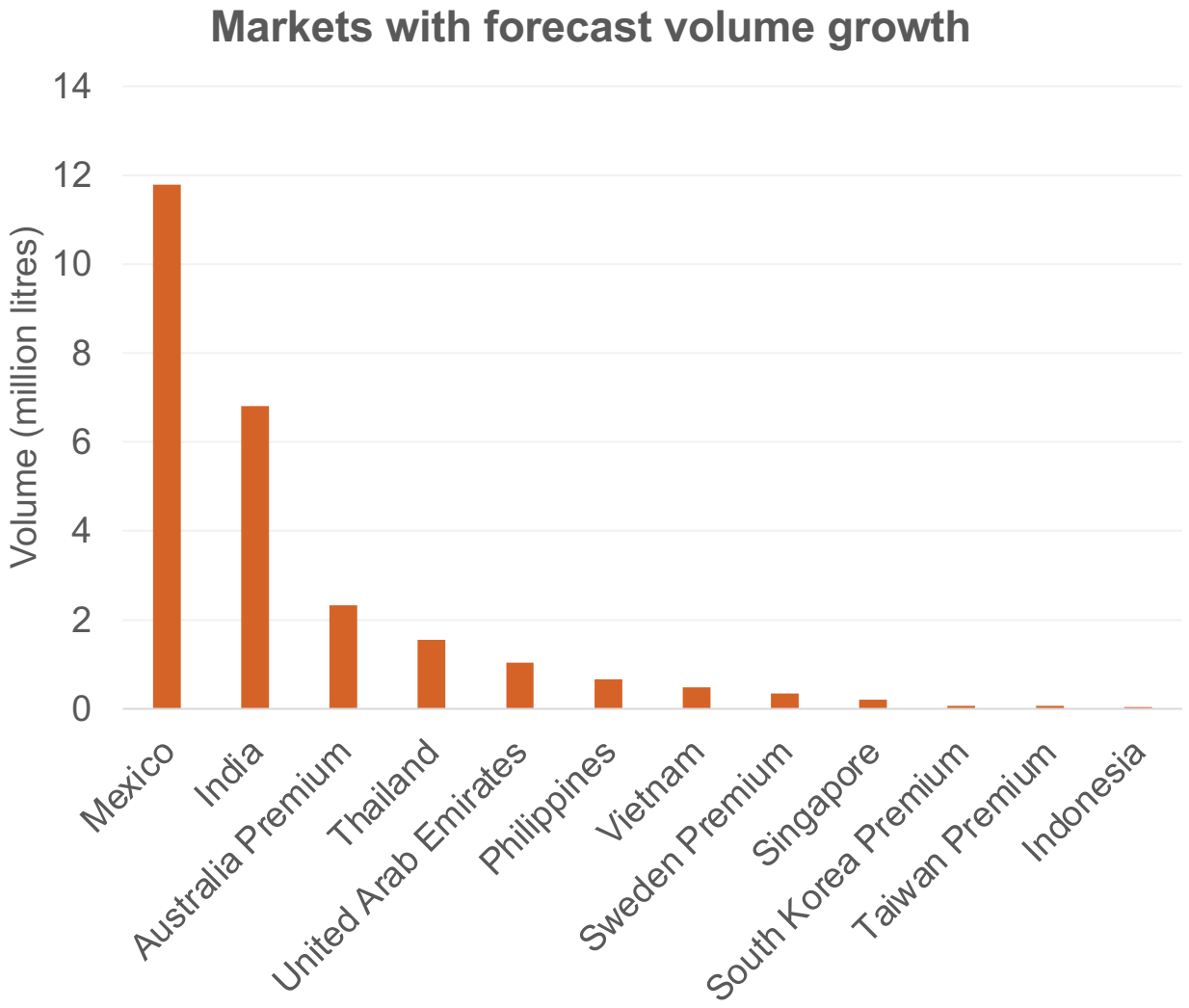
Source: Wine Opinions Trade Survey

Opportunity #5:
Global market diversification

Not all markets are declining

Opportunities exist through:

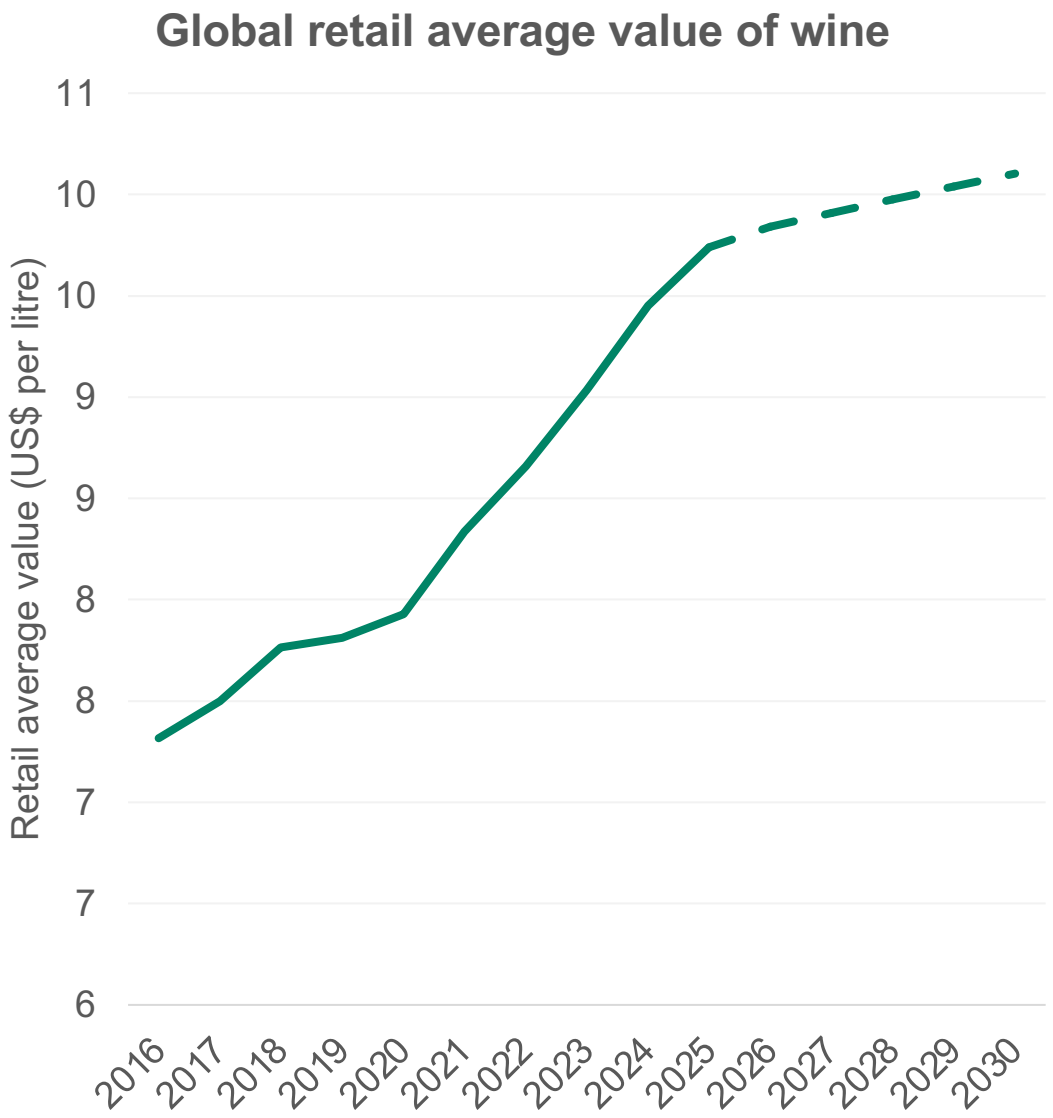
- Market diversification
- Growing share in mature markets
- New consumer segments
- Premium niches
- Wine tourism and experiences



Source: IWSR

Five strategic priorities for future growth

- **Recruit and engage the next generation of wine consumers**
- **Compete on value, not volume**
- **Strengthen direct consumer relationships and digital capability**
- **Build trust through credible sustainability and climate resilience initiatives**
- **Expand wine's relevance across more occasions and experiences**



Source: IWSR