In recent years, South China’s imports of wine and beer have skyrocketed, with imports of wine more than doubling between 2013 and 2015, and imports of beer tripling during this period. Much of this strong growth in import demand has been as a result of Chinese consumers demanding a wider variety of wine and beer products and flavors. South China is the largest wine importing region in China, and also accounts for nearly half of beer imports. U.S. beer and wine exporters are encouraged to consider this huge market, and there are various key wine and beer trade shows in China planned for 2017.
General Information:
Import Trends to South China
In recent years, South China’s imports of wine and beer have skyrocketed, with imports of wine more than doubling between 2013 and 2015, and imports of beer tripling during this period (see chart below). This strong growth has continued into 2016, and in the first 8 months of the year South China’s wine imports are up another 35 percent by value and beer 16 percent compared to the same period last year.

**Southern China Total Imports of Alcoholic Beverages**
*(From all origins - $ million)*

Data Source: China Customs  Note: Southern China includes Guangdong, Fujian, Guangxi, Hainan, and Hunan provinces.

Much of the strong growth in import demand has been as a result of Chinese consumers experiencing an “upgrade of consumption”. Younger generations born in the 1980s and 1990s have become key purchasers driving this growth. These consumers, as compared to previous generations, are much more familiar with western brands and consumer trends as a result of internet use and foreign travel, and also are eager to try a wider variety of products and flavors. They also tend to be more health conscious than the older generations. As a result, in general they drink much less Chinese distilled spirits (including baijiu) or mass produced domestic beers. China is the world’s largest producer and consumer of beer, and although imports still represent just an extremely small percentage of consumption, this share is increasing rapidly.

For wine, consumption has shifted from just being a “luxury”, to now being consumed much more frequently in business occasions and family gatherings. The popularity of online shopping has also given consumers much easier accesses to purchase wine. In addition, prices and mark-ups have been reduced which has made wine more affordable. Chinese wine consumption still remains less than half of the world average, so there is substantial room for consumption growth. Although China is also a
major producer of wine, there is a strong preference among many consumers for foreign wines.

South China is by far the largest wine importing region of China (see chart below), with most of this entering into Shenzhen in Guangdong Province. France is the largest supplier to the South China market, followed by Australia and Chile (who both have Free Trade Agreements with China), and Spain. For beer, South China also accounts for about half of the beer imports, with Fujian being by far the largest importing province. Germany, Netherlands, Spain and Mexico are the largest beer suppliers to South China.

![Wine Imports by Region](chart.png)

Data Source: China Customs

U.S. wine and beer exports have also been increasing to China and according to U.S. Census data, direct U.S. wine exports reached a monthly record to China in both June and July 2016. However, U.S. supplies are still just a very small fraction of total wine and beer imports, and as a result there is significant market potential in South China for increased U.S. sales.

**Suggestions for U.S. Exporters Interested in South China**

U.S. wine and beer exporters are encouraged to explore the South China market and can reach out to the Agricultural Trade Office (ATO) in Guangzhou, atoguanzhou@fas.usda.gov, for information and suggestions. ATO Guangzhou frequently organizes and participates in events in South China to promote U.S. wine and beer, often in conjunction with U.S. Cooperators such as the California Wine Institute.

There are also a large number of trade shows which U.S. suppliers could consider attending and provide an effective way to access potential business partners and promote U.S. products. Below is information about some key wine/beer shows in China in 2017.

**China Food and Drinks Expo (a.k.a. Tang Jiu Hui)**
The show is the largest food/beverage exhibition in China. In recent years, the show organizer has expanded its imported wine portfolio and since 2016 this has become a USDA-endorsed event. In the lead up to this event, there will be several business-to-business wine and beer shows in Chengdu. Please contact ATO Chengdu office (atochengdu@fas.usda.gov) for more details. Many South China wine and beer importers and traders will also exhibit or visit this show. In addition to this show, Tang Jiu Hui also has an Autumn show held in October which is held in a different city every year.

**SIAL China**

www.sialchina.com

Product: Primarily wine, but also some beer and distilled spirits

Date: May 17-19, 2017

City: Shanghai

SIAL China is a very well-known international food and beverage show which also includes alcohol products. It is also a USDA-endorsed show. Please contact ATO Shanghai (atoshanghai@fas.usda.gov) for more information if you are interested in this show. It is held at the same time as the China Beer Conference and Exhibition (please see below).

**China Beer Conference and Exhibition**

www.cbeecchina.com/en/

Product: Craft beers

Date: May 17-19, 2017

City: Shanghai

In 2016, this show was held for its first time and already attracted many craft beer-related exhibitors and attendees. In addition to beer suppliers, it is also a good event to showcase U.S. beer ingredients such as hops, malt, and yeast. For bottled beers, it is business-to-business show and bar owners and beer distributors will attend. You may also contact ATO Shanghai (atoshanghai@fas.usda.gov) for more information on this show.

**Interwine show**

www.interwine.org/en

Product: Primarily wine, but also some beer and distilled spirits

Date: May 25-27, 2017

City: Guangzhou

This show is the largest and most influential in South China. ATO Guangzhou has a good working relationship with the organizer, and in past years ATO Guangzhou facilitated importers of U.S. wine to establish a USA Pavilion to achieve optimal exhibiting results. This show is held in both May and November, and the one in May is larger and attracts more visitors. The November show is more ideal
for local distributors to sell wines before the peak consumption season - Christmas, New Year and Chinese Lunar New Year (usually late January or February of following year). Please contact ATO Guangzhou (atoguanzhou@fas.usda.gov) if you are interested in this show.

ProWine China and Beer China
Product: Wine and beer
Date: November 2017, exact dates to be determined.
City: Shanghai

In 2016 these shows are being held alongside the International Food and Hospitality trade show in China (FHC) and details are not yet available regarding the 2017 shows. Please contact ATO Shanghai for more information on this show (atoshanghai@fas.usda.gov).