

*Wine Industry Outlook, 2002 ....*

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Australian Wine and Brandy Corporation

# *Australian Wine & Brandy Corporation*

- Quality and integrity
  - *to protect and enhance the quality and integrity of Australian wine*
- Knowledge development
  - *to assist decision-making in the industry*
- Market development
  - *category status for Australian wine in overseas markets*

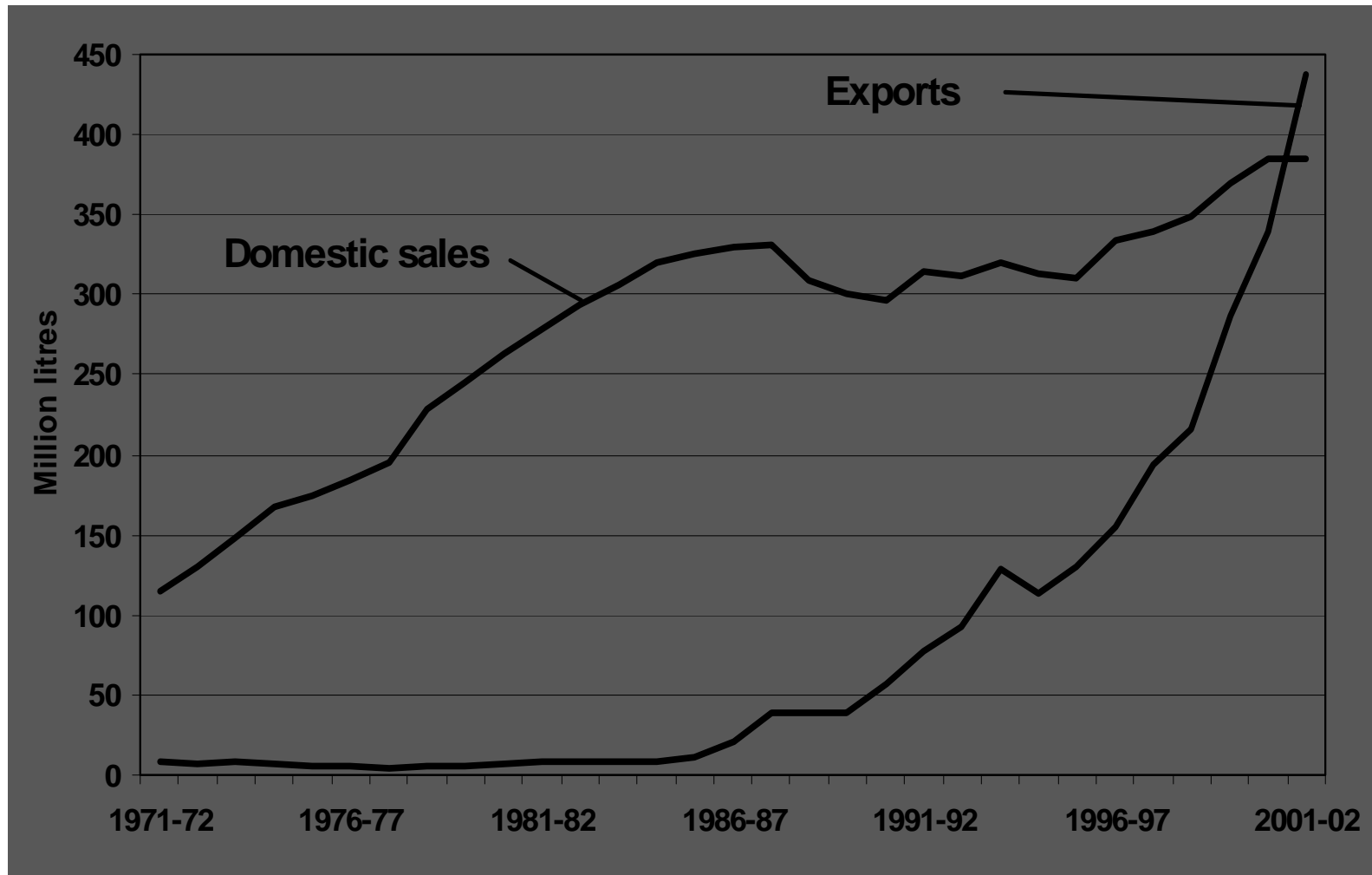
## *Overview ...*

- In 2002-03, the industry will face the largest hump in supply it has ever faced ... which translates to wine that needs to be sold overseas.
- The future ... ?

*To be discussed today, 3 phases ...*

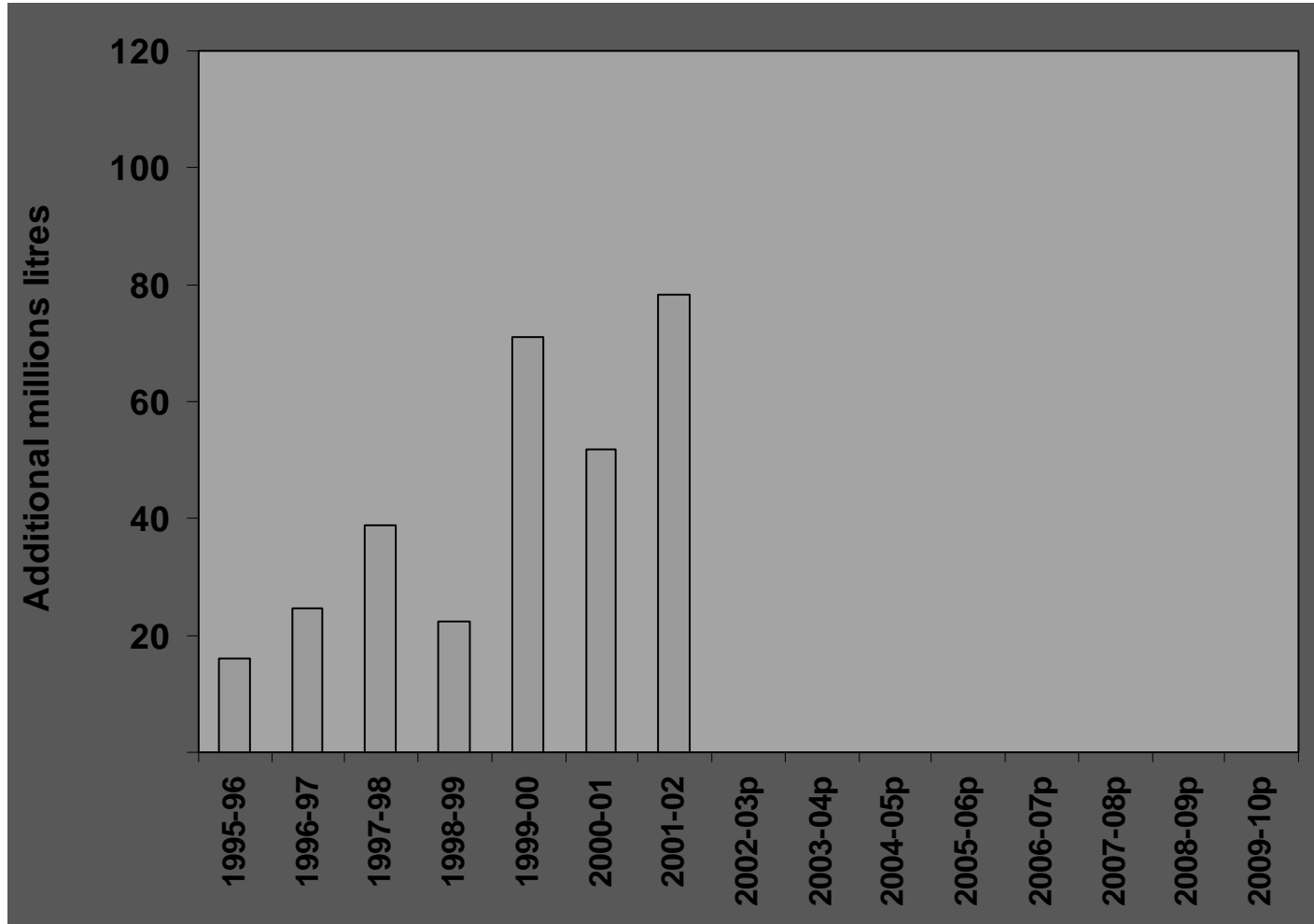
- *This year*
  - the boom
- *Medium-term*
  - supply constraints loom?
- *Long-term*
  - sound growth prospects

*This year ...*



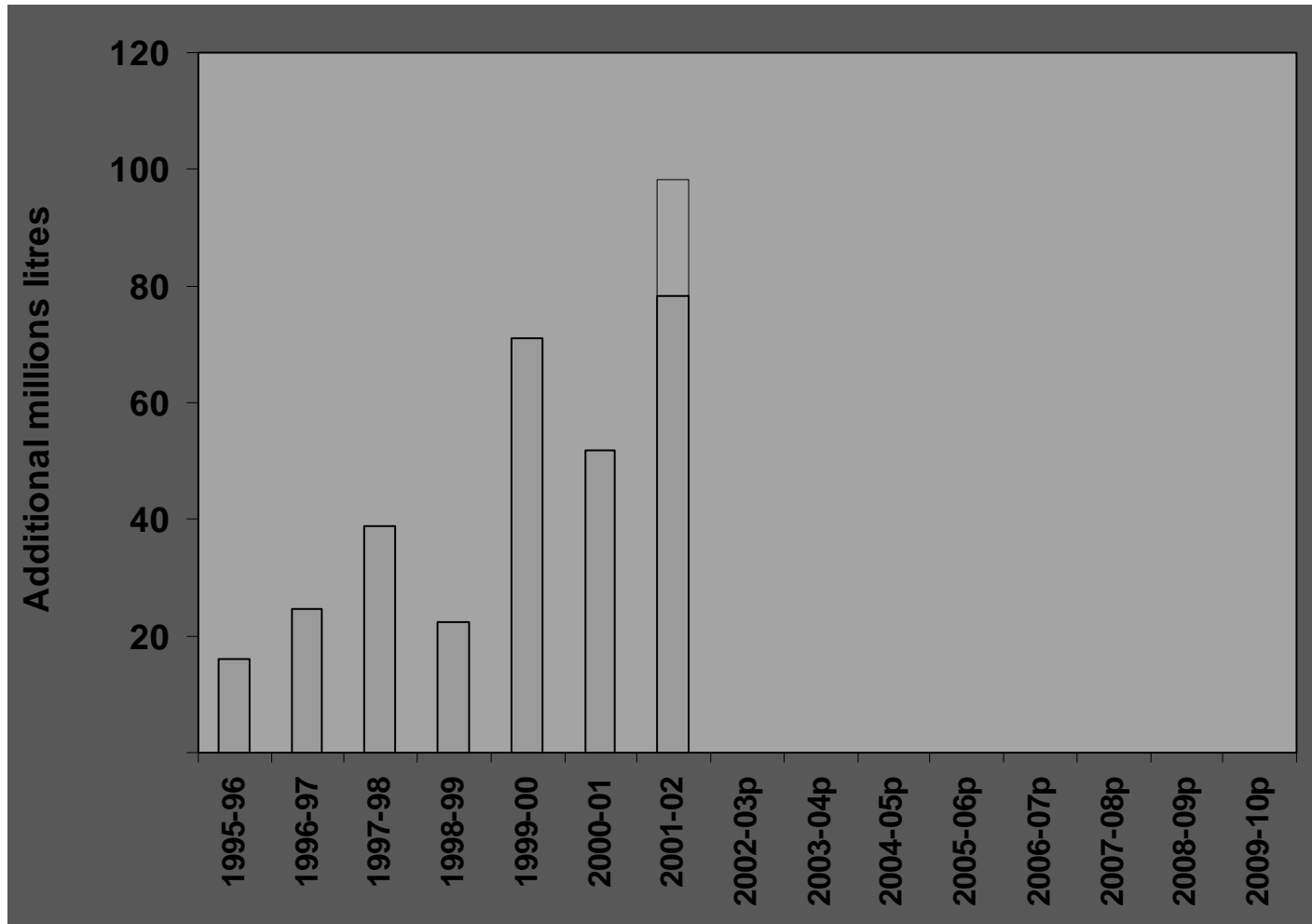
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# *Export increments ...*



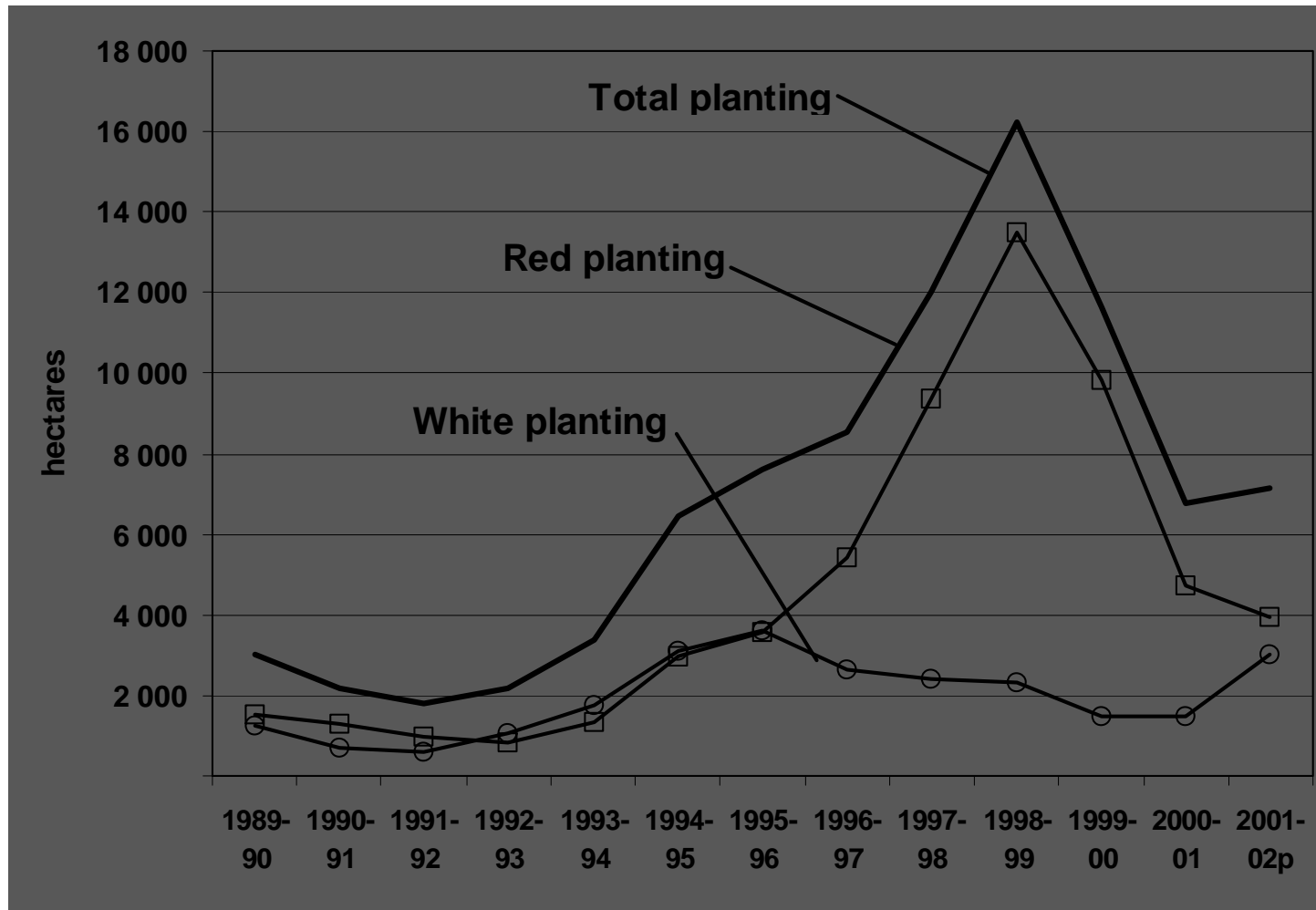
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# *Export increments ...*



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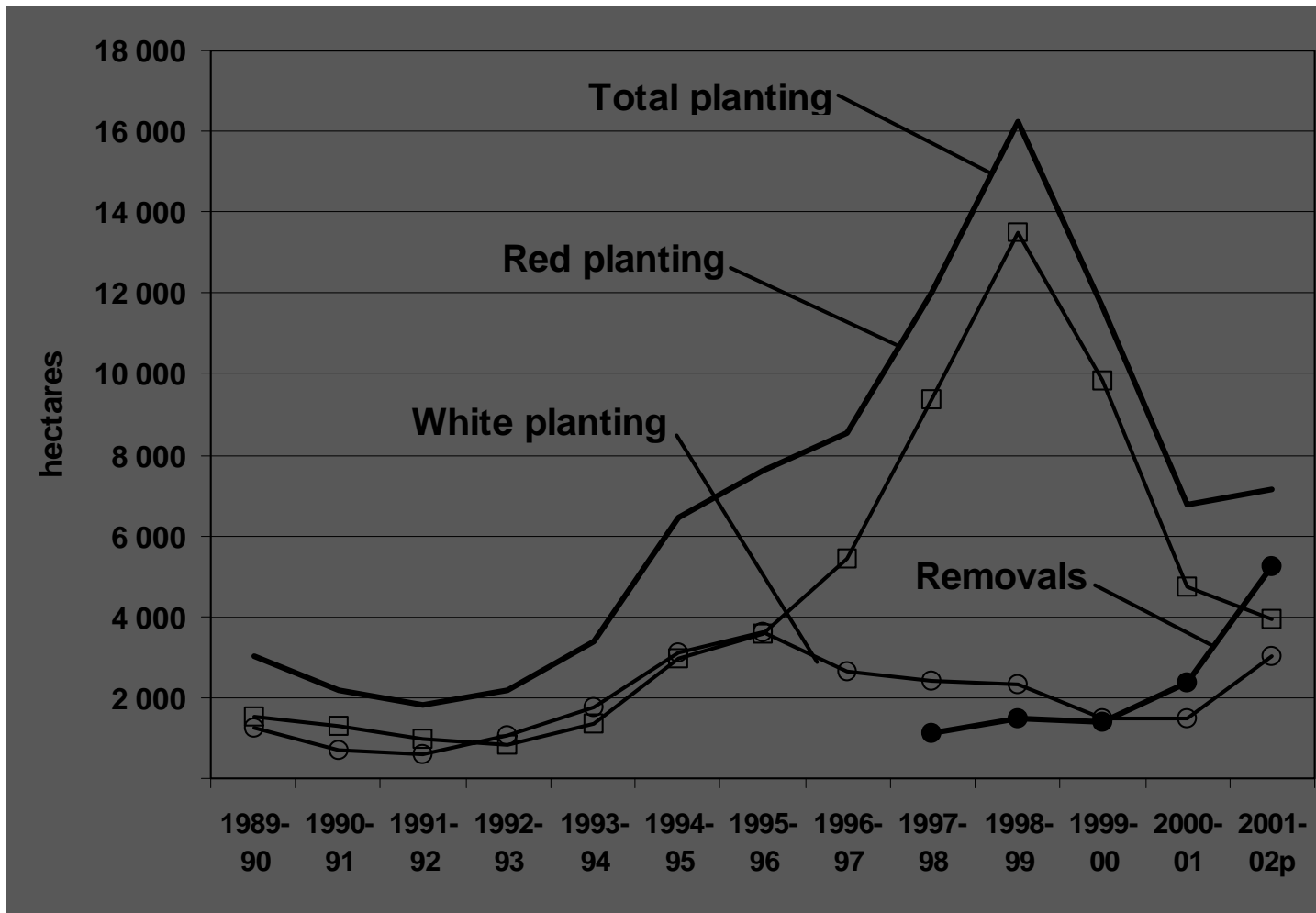
# *Planting history ...*



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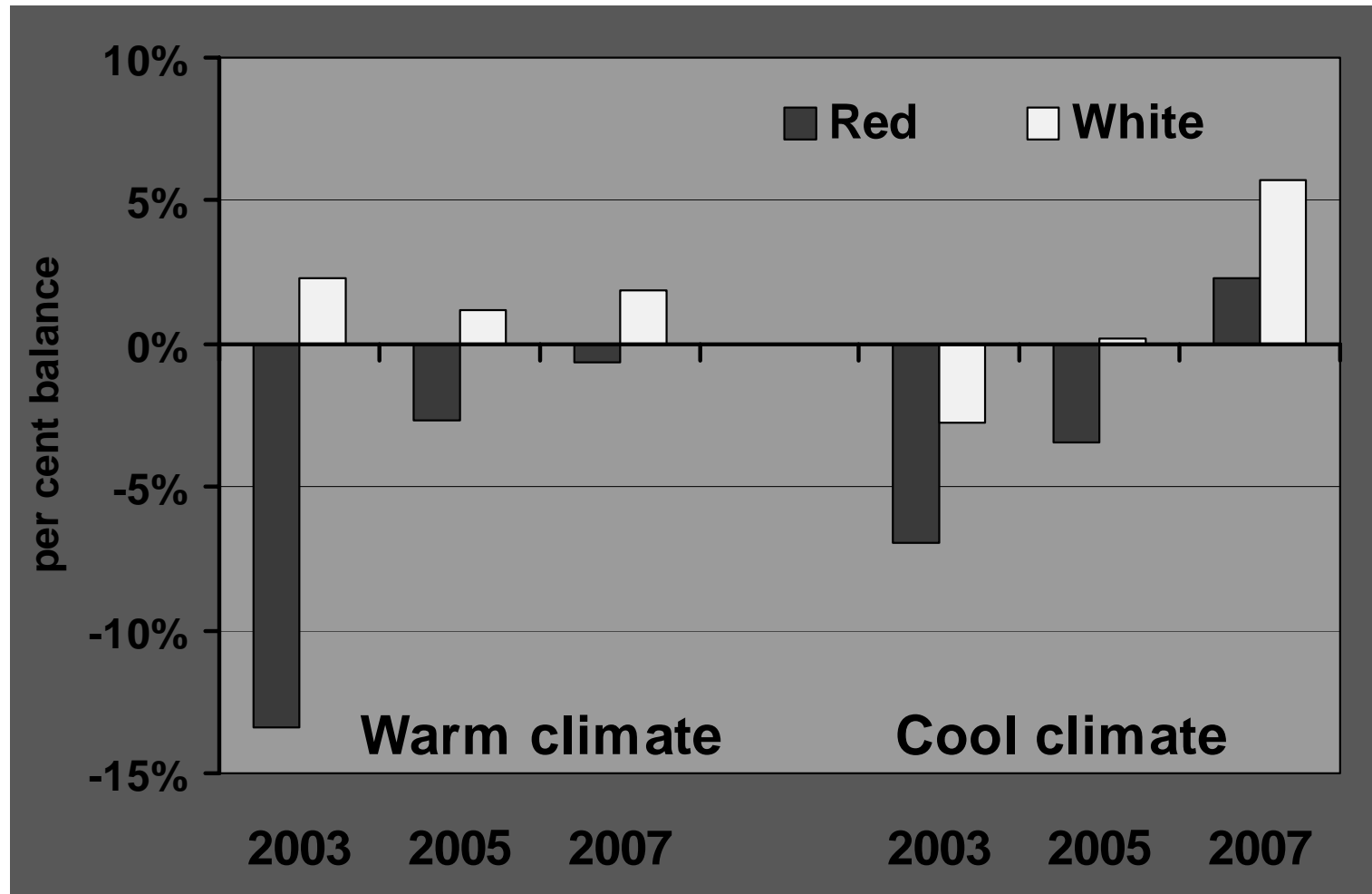


# *Planting history ...*



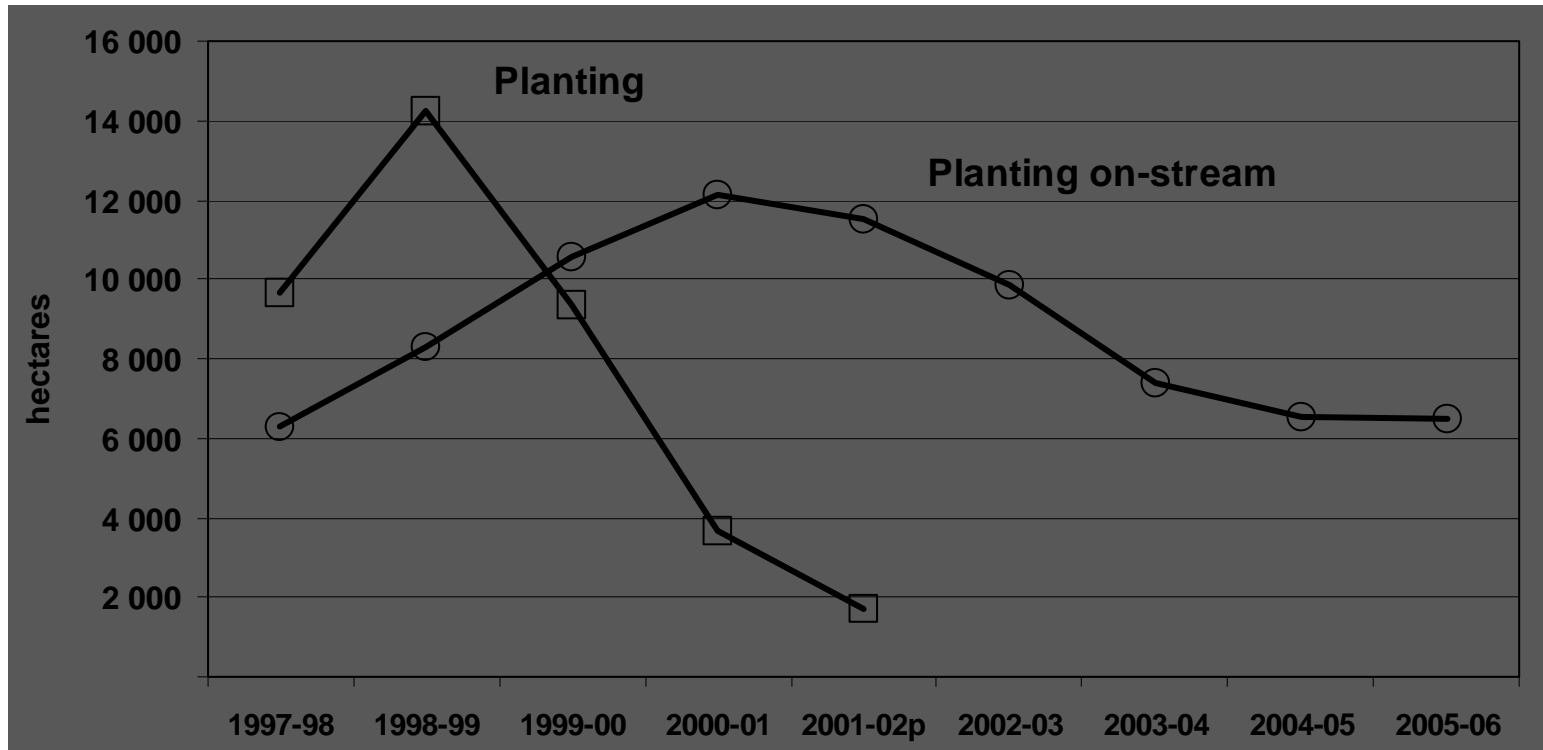
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# *Winemakers' sentiment ...*



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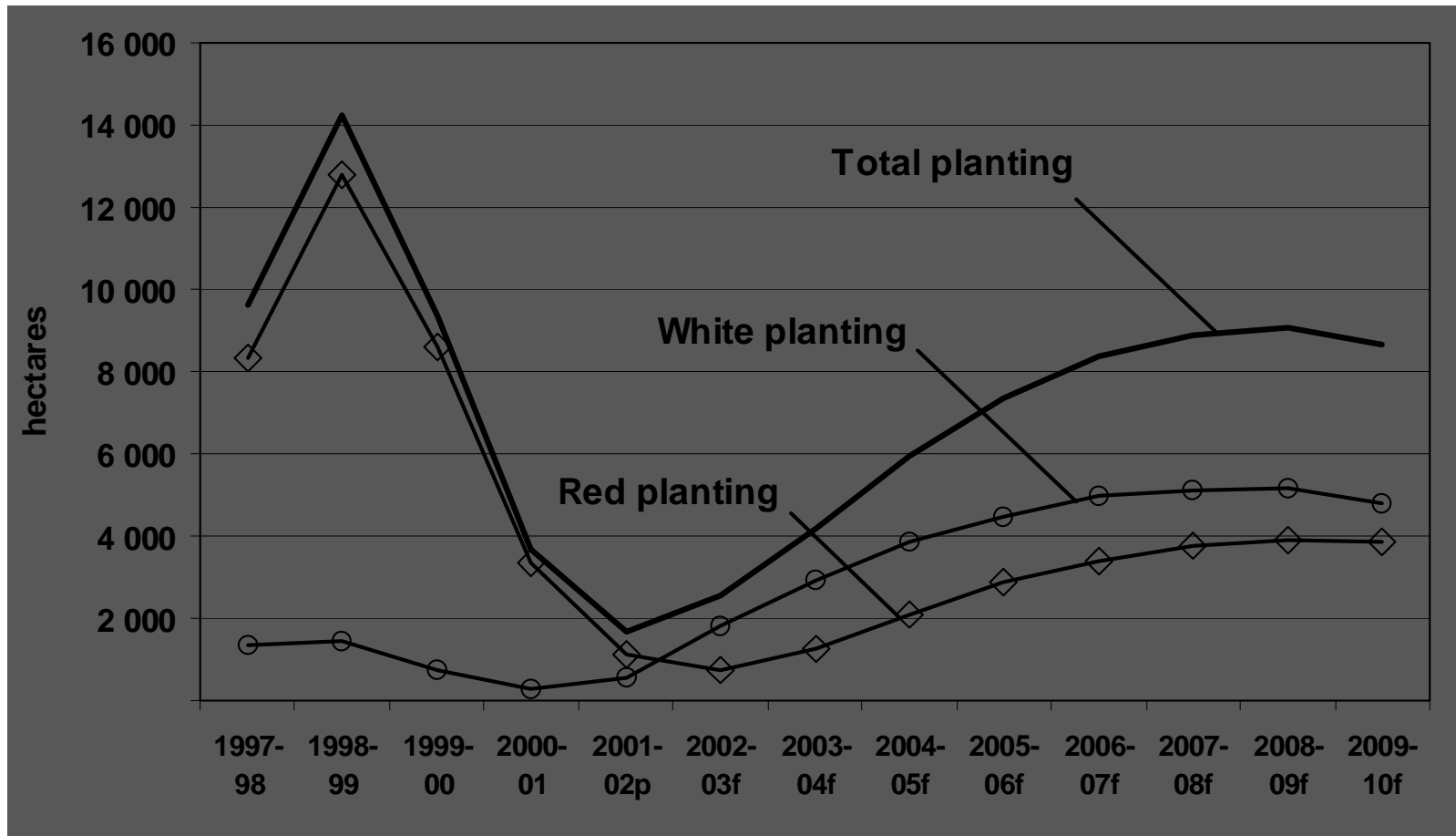
# *The origins of cycles ...*



**New production on-stream >> prices falling >> planting falling**

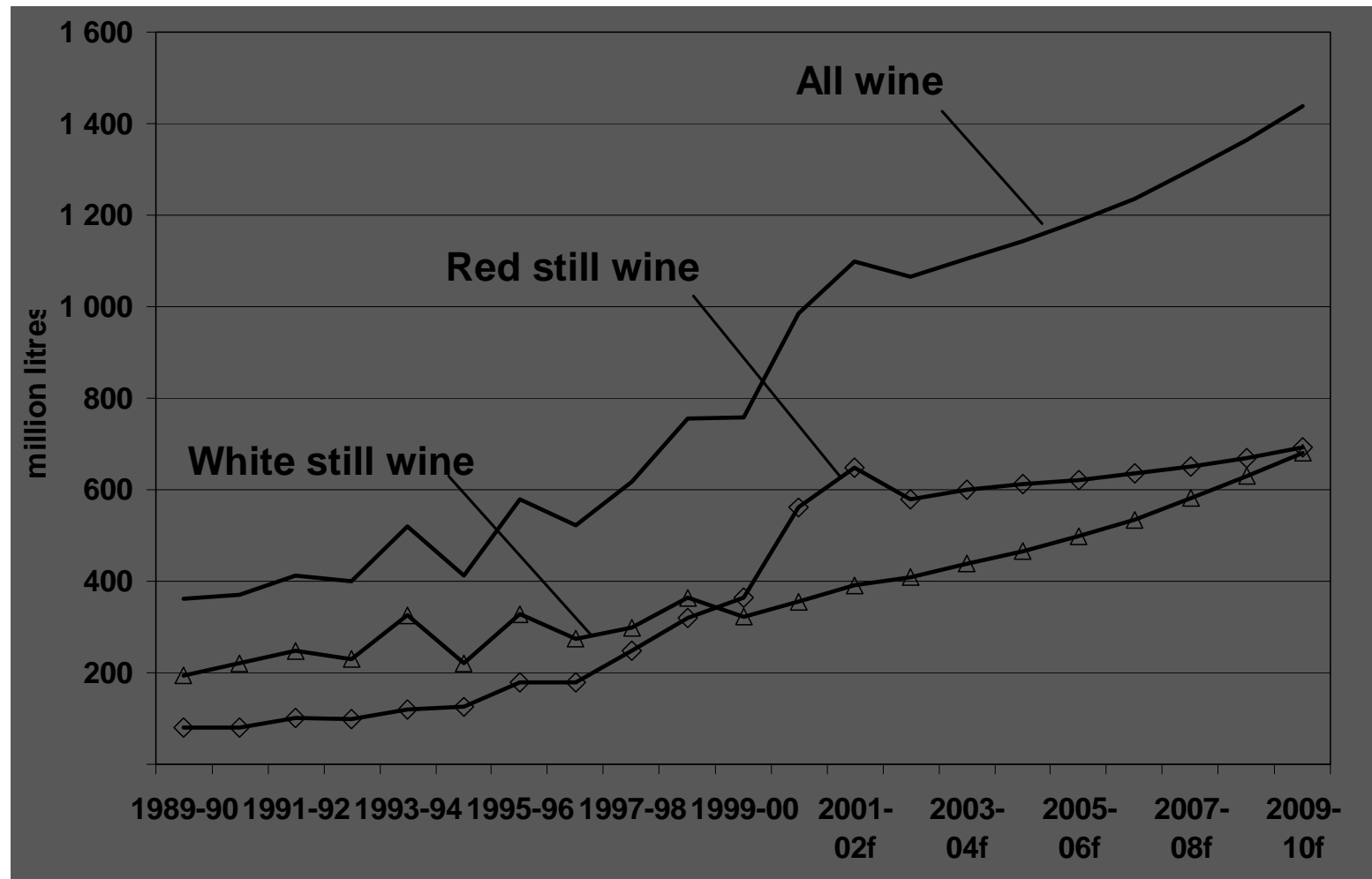
**Less new production on-stream >> prices rising? >> planting rises?**

# *Net planting ...*



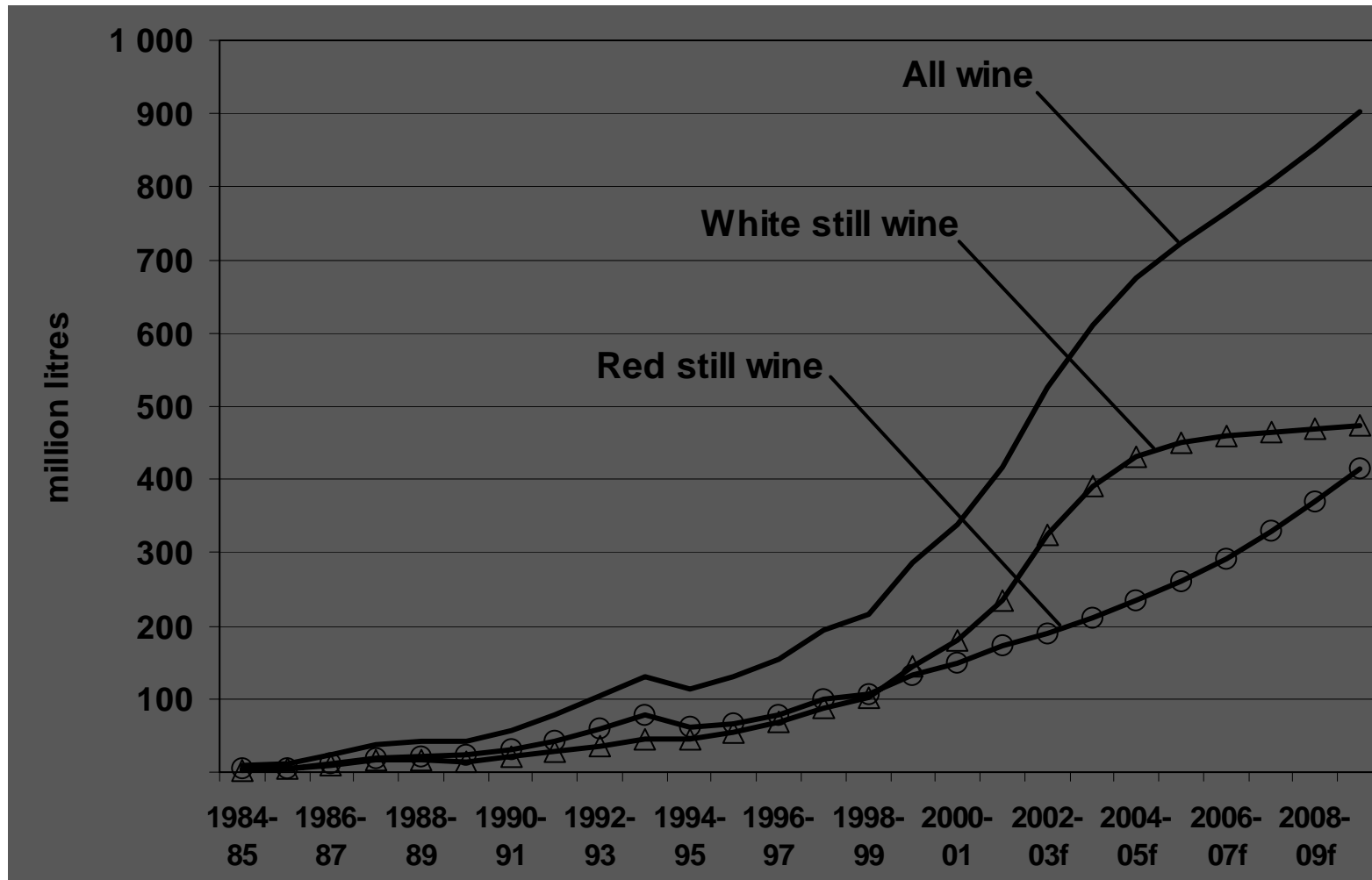
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# *Wine production ...*



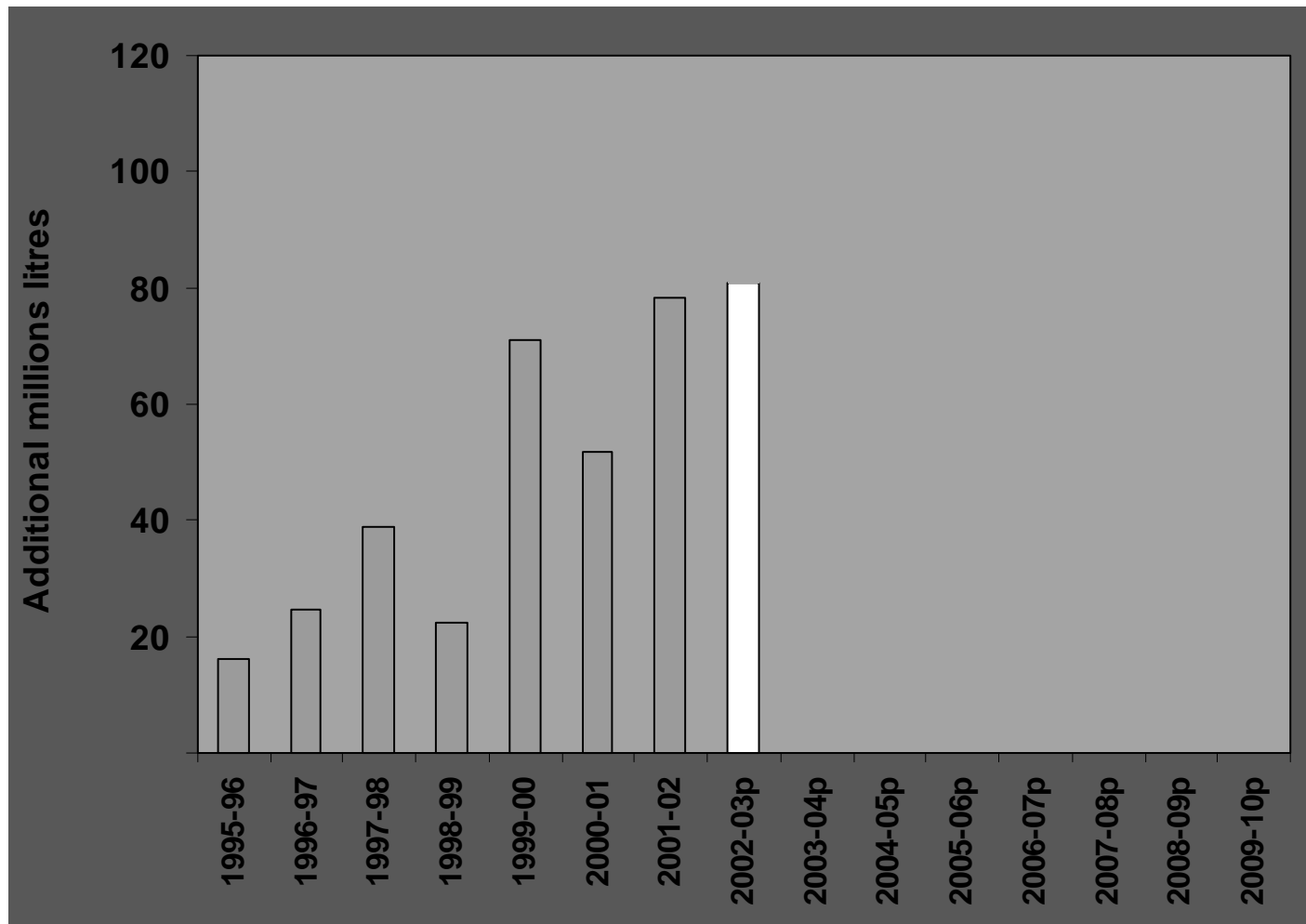
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# *Wine available for export ...*



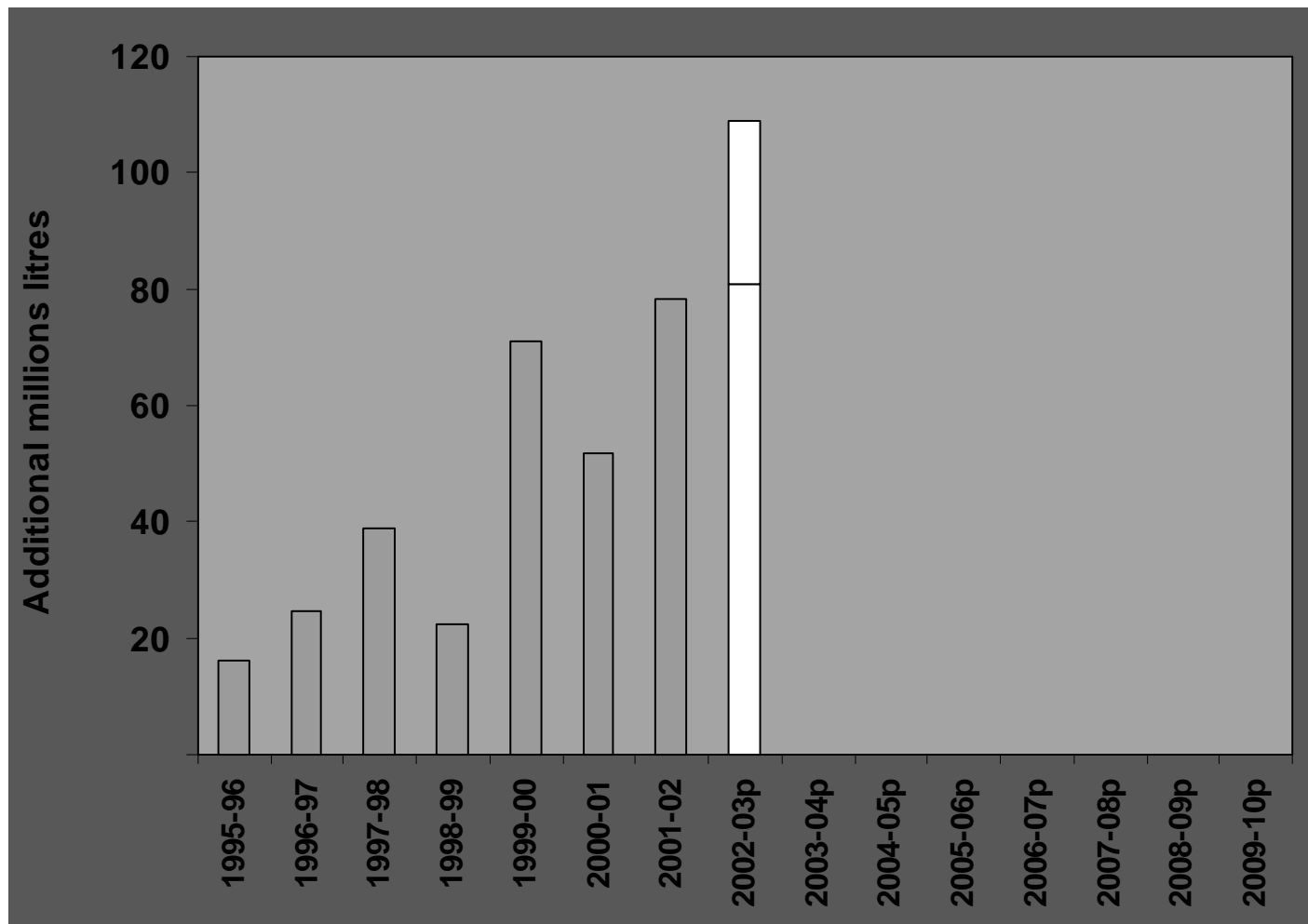
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# *Export availability increments ...*



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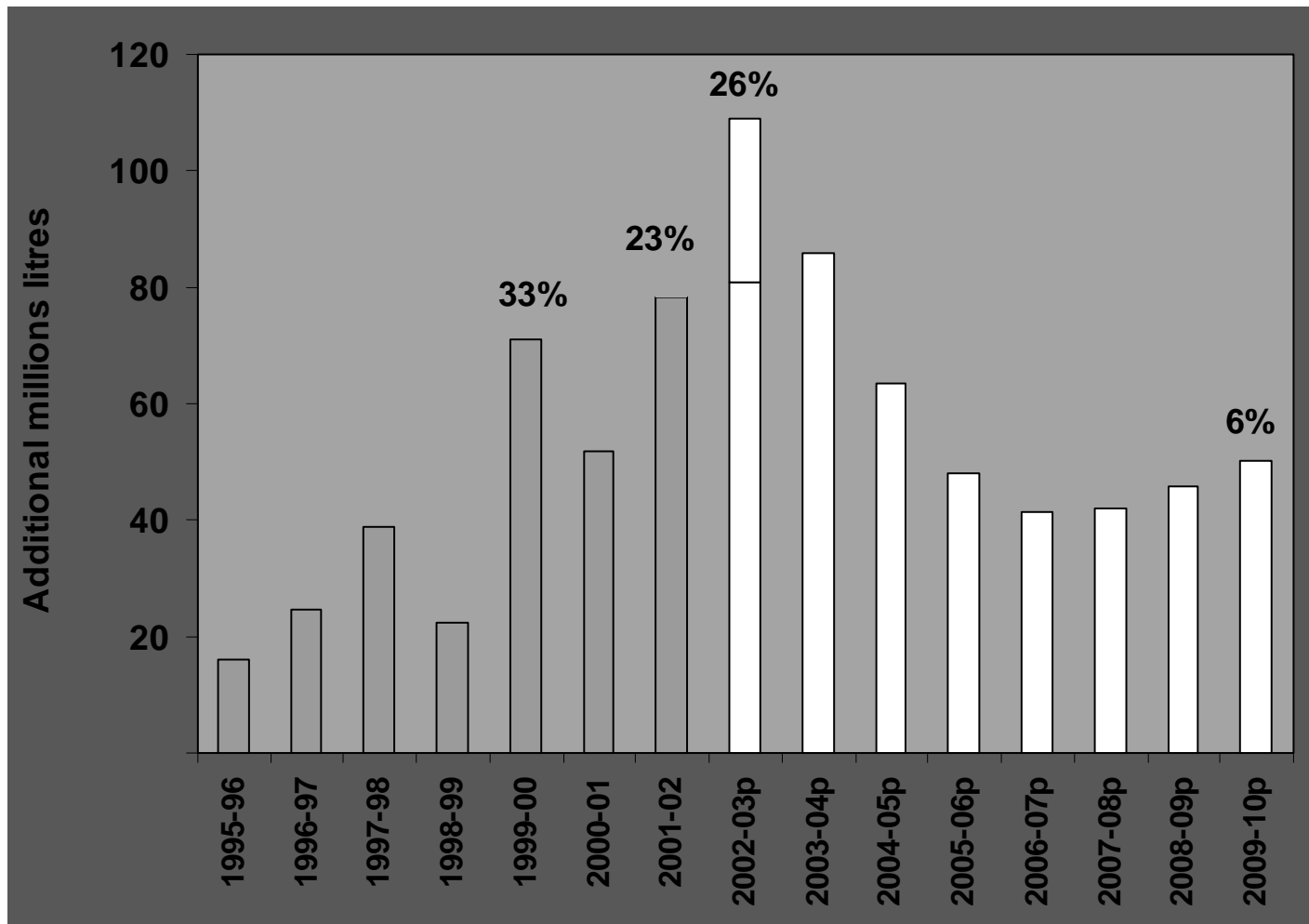
# *Export availability increments ...*



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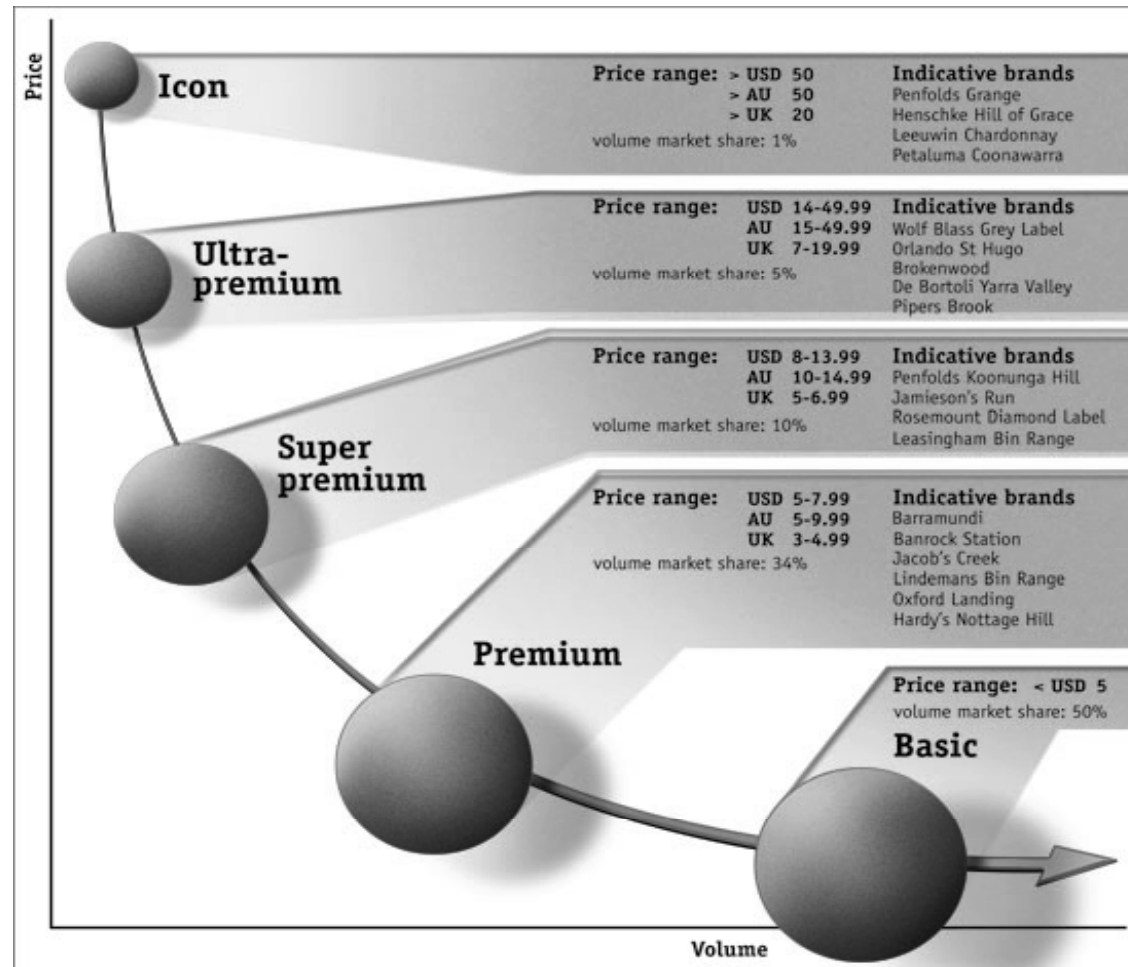


# *Export availability increments ...*



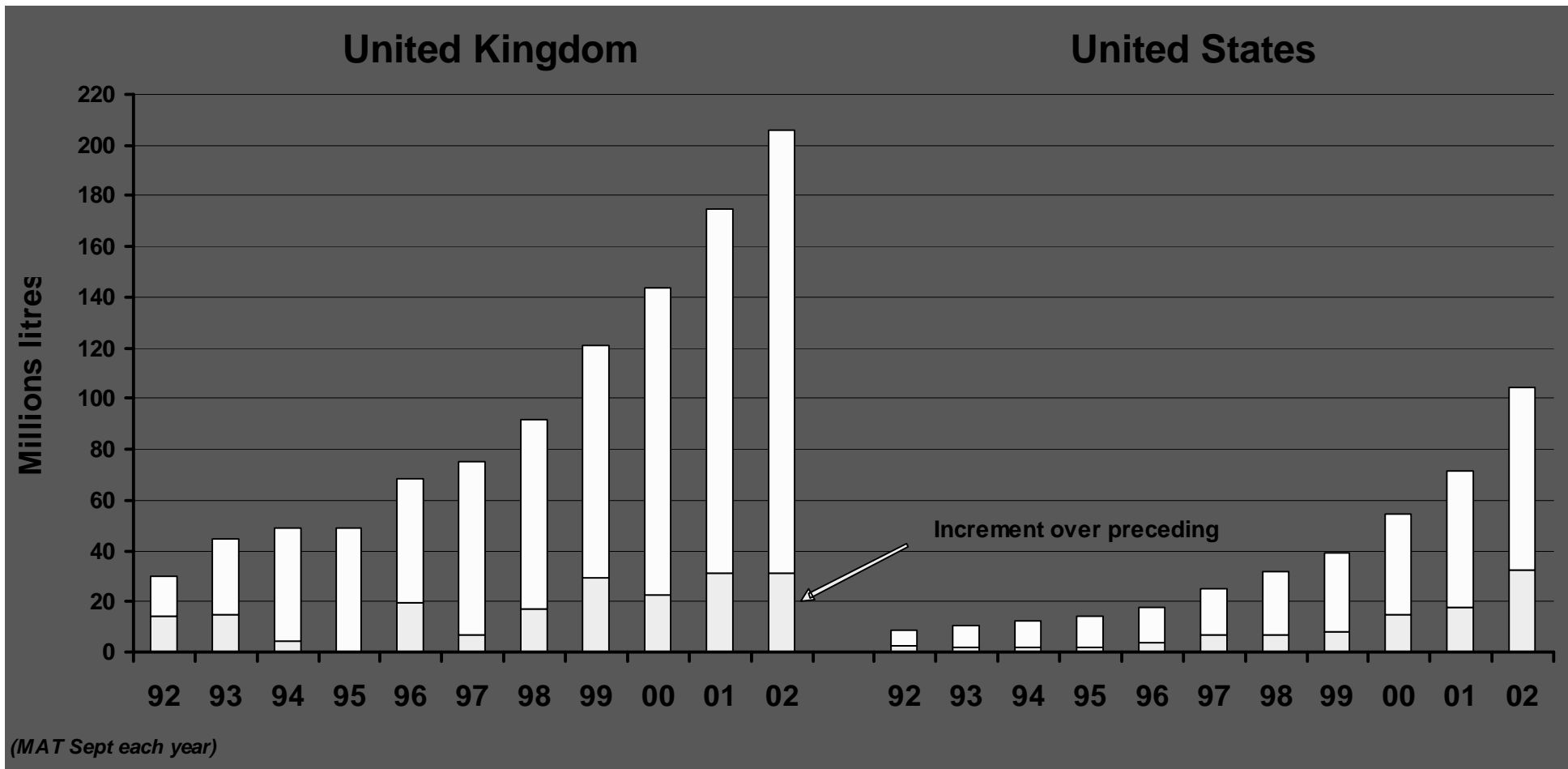
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# Global wine categories ...



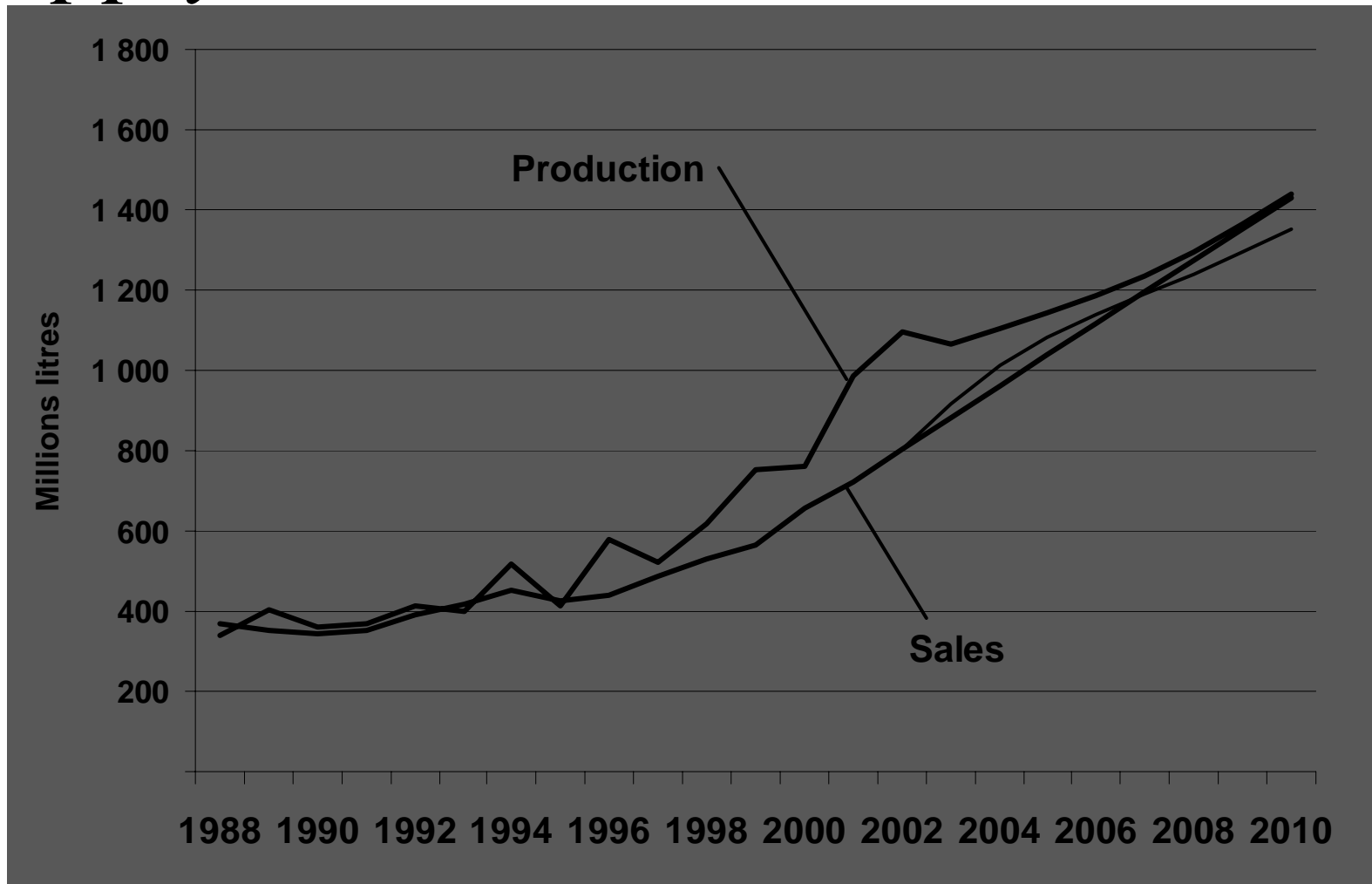
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# Short-term sales prospects ...



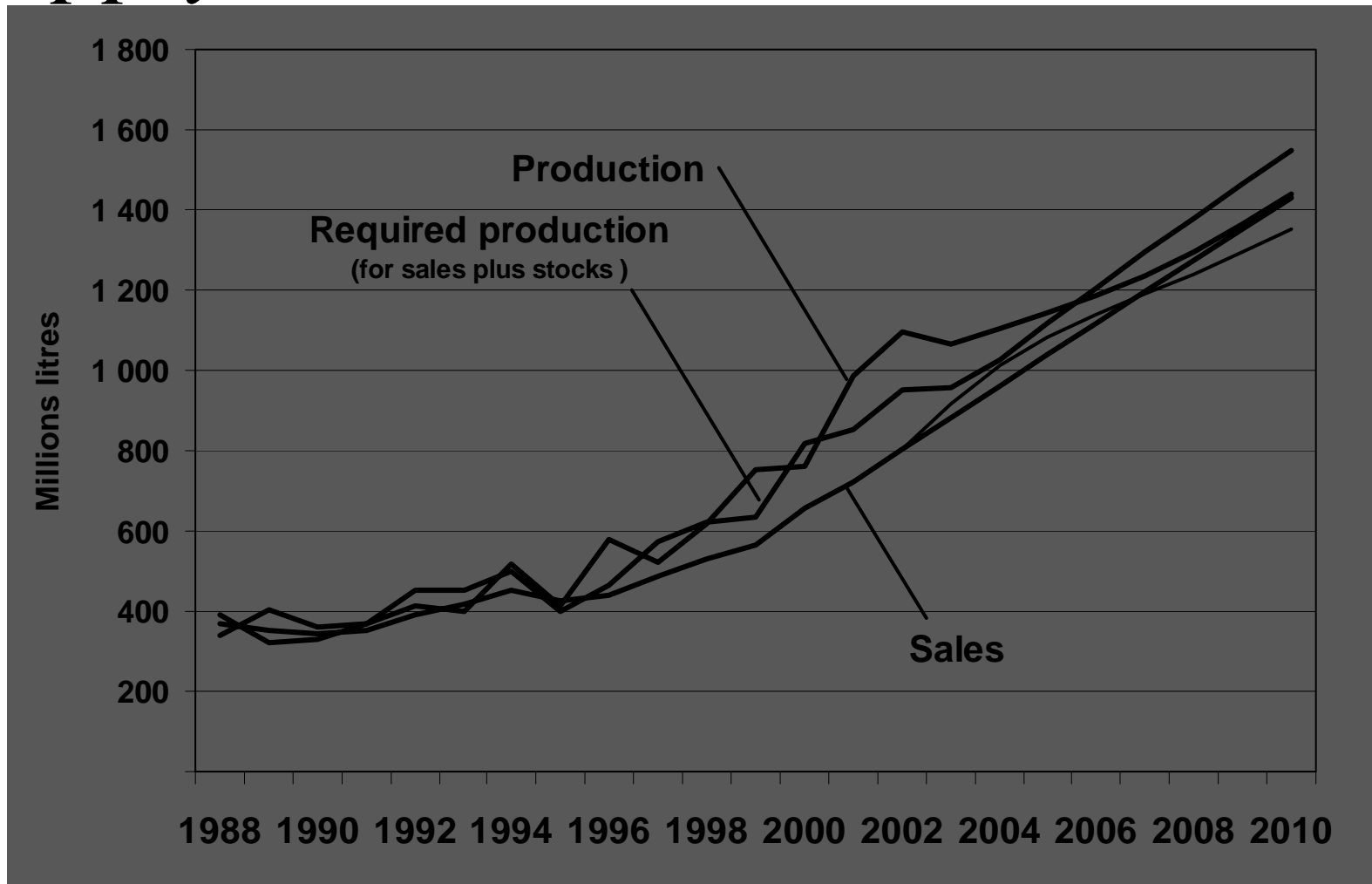
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# *Supply and demand balance??*



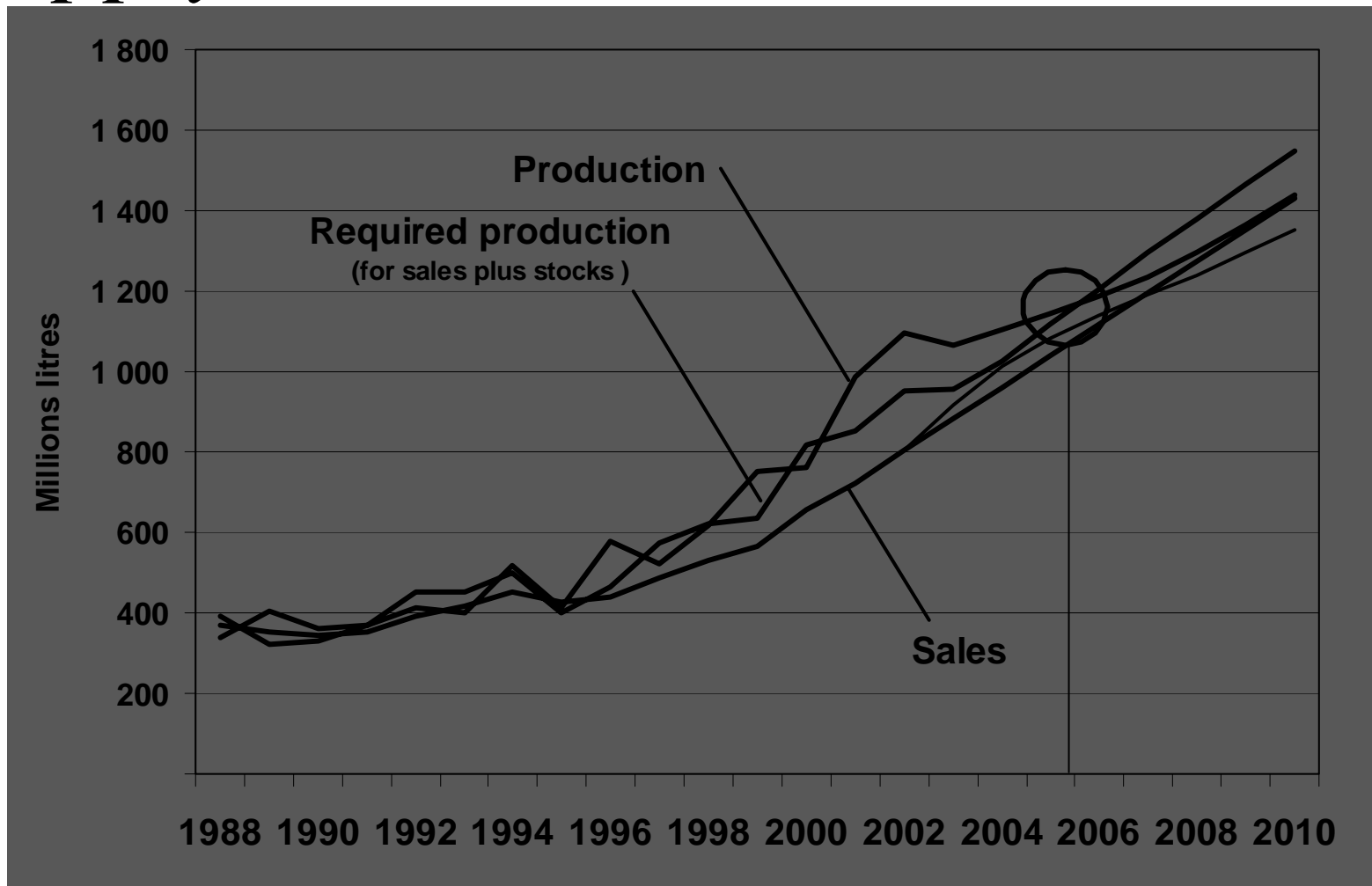
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# *Supply and demand balance??*



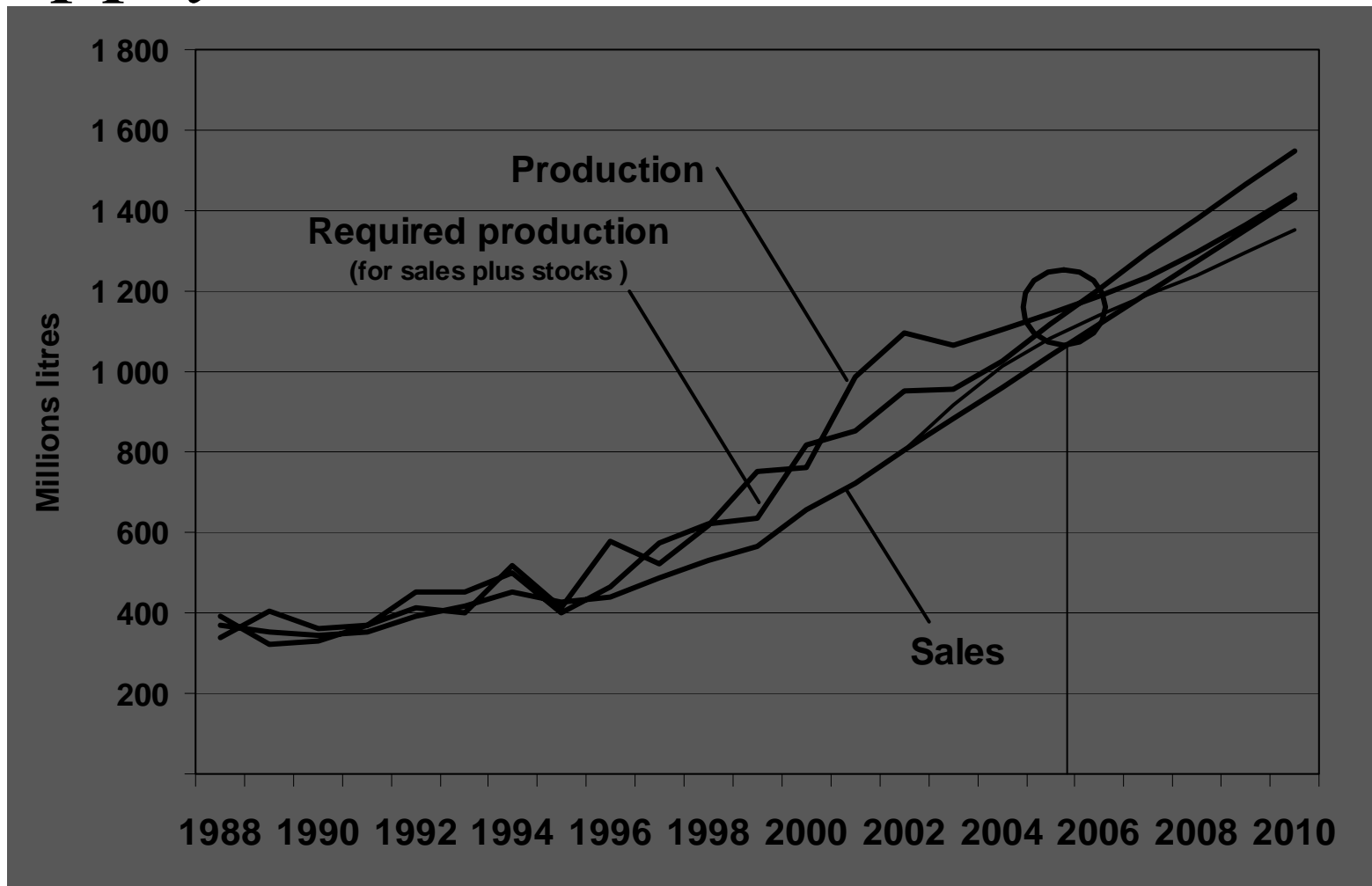
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# *Supply and demand balance??*



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# *Supply and demand balance??*



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*Why a positive future? ...*

*Consumption drivers in place*

- Favourable demographics
- Changing consumer tastes
  - Increasing wealth (?)



# *Australian wine competitiveness ..*

- High quality
- Consumer orientation
- Technically innovative
  - Low cost
- Consolidated structure
  - Low risk
- Unified industry

*Future risks? ...*

Increased international competition

*Weaknesses? ...*

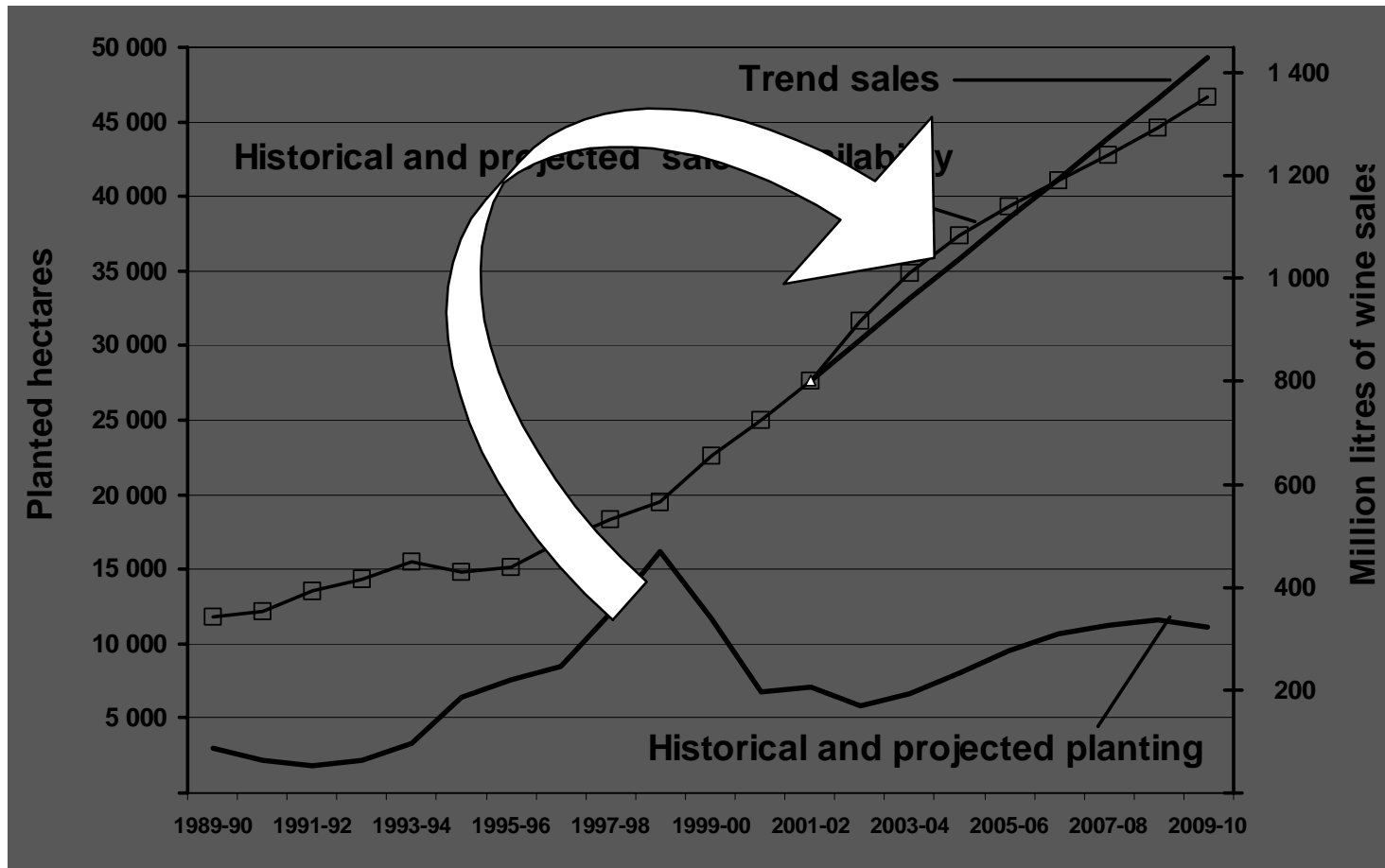
Small-medium

winemakers will

experience

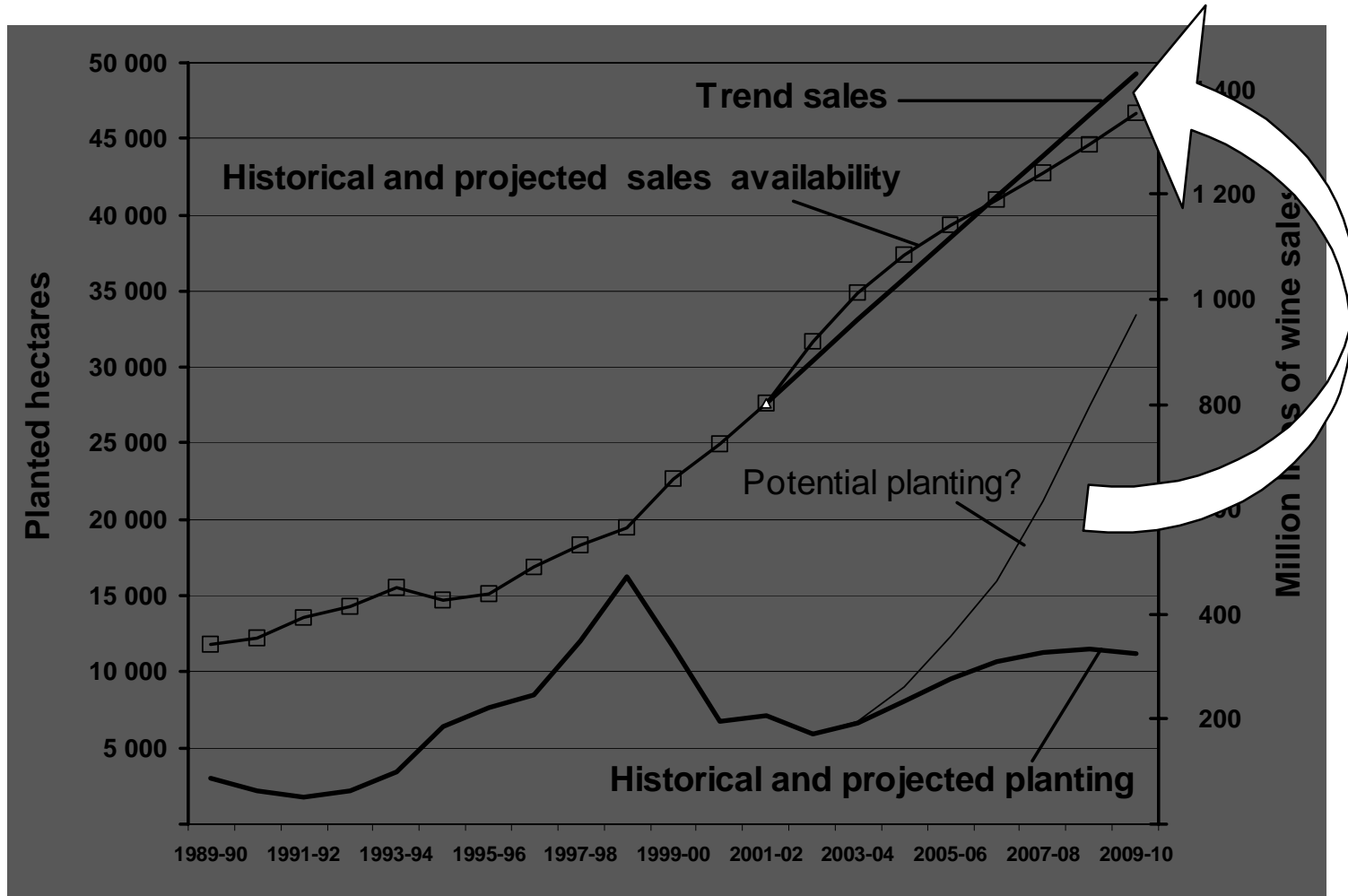
margin-pressure

# *A final teaser ...*



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# *A final teaser ...*



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