

OFFICIAL



Australian Government

Australian Trade and Investment Commission

Philippine Wine Market

Liza Bautista

Senior Business Development Manager
Austrade Manila



AUSTRALIA

OFFICIAL

An aerial night view of a dense urban skyline, likely Manila, Philippines. The image shows a variety of high-rise buildings, including modern glass skyscrapers and older concrete structures. Many windows are lit up, creating a vibrant pattern of lights against the dark sky. The city is packed closely together, with buildings of different heights and architectural styles. In the foreground, some lower-rise buildings and greenery are visible, contrasting with the towering structures in the background. The overall atmosphere is one of a bustling, modern metropolis.

THE PHILIPPINES

Market overview



Population

- 112.9 million*; 140 million by 2045
- World's 13th largest population
- Young population: 59% under 25



Employed workforce

95.7% (2023)

- Services (58.8%)
- Agriculture (24.3%)
- Industry (16.9%)



Digital Data

- 74% of the population use the internet
- 84.45 million are social media users
- Digital economy valued at USD 20B (USD 100B in 2030)
- Fastest growing e-commerce market globally
- #1 globally – time spent using mobile internet



Economy

- 5.6% GDP Growth in 2023
- Ave GDP growth rate: 5.8% (2013 – 2023)
- 6% growth forecast (2024)



Business Environment

#95/190 globally in EODB (2020)



Trade Relationship

- Australia's 17th largest trading partner (2022)
- Philippines is Australia's #3 agrifood market in ASEAN



FTAs

- AANZFTA since 2010
 - 95% of goods tariff-free, including wine
- RCEP

Philippine Wine Market



Imports (2023)

- USD 53.893 million (A\$82.36 million)
- 77.2% of imports were from the top 5 suppliers:



23.9%



19.6%



19.3%



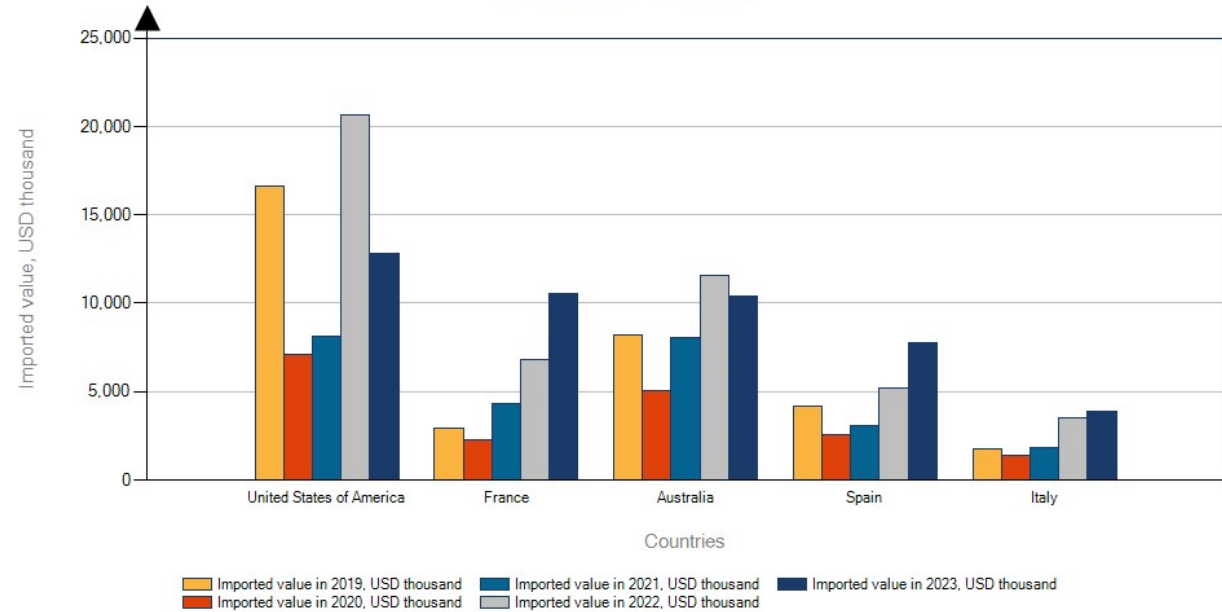
14.4%



7.2%

In Southeast Asia, the Philippines is ranked #5 by import value

List of supplying markets for a product imported by Philippines
Product: 2204 Wine of fresh grapes, incl. fortified wines; grape must, partly fermented and of an actual alcoholic strength of > 0,5% vol or grape must with added alcohol of an actual alcoholic strength of > 0,5% vol



Sources: Euromonitor, Fitch Solutions, Trade Map

Philippine wine sector – trade snapshot

Trade

- Around 20-30 wine importers/ distributors
- Retailers doing direct importation

Opportunities

- Entry level wine
- Wines from different regions in Australia
- Retail – direct importers
- Dessert wines

Challenges

- competition from beer category (still the most consumed alcoholic drink), and now also spirits
- Established importers have full AU portfolio

| Sales of Wine (2023) | By volume (in million litres) | By value (in AUD million) |
|----------------------|-------------------------------|---------------------------|
| Off-trade | 22.3 (82.3%) | 336.53 (59.1%) |
| On-trade | 4.8 (17.7%) | 233.88 (40.9%) |
| Total | 27.1 | 569.36 |

| Classification | Retail price per 750 ml (Php) | Retail price per 750 ml (AUD) |
|-----------------------------|-------------------------------|-------------------------------|
| Entry level (Budget) | Below 600 | 15.65 |
| Mid-range | 700 to 1,500 | 18.26 to 39.13 |
| Sub-premium | 1,600 to 3,000 | 41.74 to 78.26 |
| Premium | 3,000 up | 79.00 |

Wine consumption in the Philippines

Market size (2018-2023)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------|--------|--------|--------|--------|--------|--------|
| By volume (M litres) | 22.1 | 24.1 | 22.7 | 23.8 | 25.4 | 27.1 |
| By value AUD million | 383.45 | 427.60 | 397.79 | 438.99 | 499.57 | 569.36 |

Forecast

| | 2024 | 2025 | 2026 | 2027 | 2028 |
|--------------------------|--------|--------|--------|--------|--------|
| By volume Million litres | 28.6 | 30.1 | 31.4 | 32.3 | 32.9 |
| By value AUD million | 614.57 | 661.68 | 711.65 | 762.99 | 814.02 |



Who drinks?

- Wines are still considered a drink of the higher-income consumer
- Beer still dominates but wine consumption growing
- Per capita wine consumption:
 - 0.4 litres per capita (2024-25)
 - 0.5 litres per capita (2025 onwards)
- Philippines' urban middle and upper classes –those upscaling their lifestyle choices
- Tourists and foreigners
- Males account for most purchases
- Female market and new wine drinkers



Marketing:

- Growing niche markets who are aspirational
- Targeting female consumers and young professionals



Preferences:

- 60% red
- Sweet palate (fruity); drier wines for more mature drinkers

Australia's wine exports to the Philippines

2023

- Total value: \$14.7 million (↓ 7.9%)
- Total volume: \$2.5 million litres (↓ 7.4%)
- Estimate: over 500 available Australian labels in PH

| Wine Style | Selected Year value | Prior Year value |
|----------------------|---------------------|------------------|
| Still Red | \$ 9.44M | \$ 10.44M |
| Sparkling/Carbonated | \$ 2.97M | \$ 3.81M |
| Still White | \$ 2.13M | \$ 1.64M |
| Still Rosé | \$ 159K | \$ 78.84K |
| Other | \$ 5.4K | \$ 1.77K |

| Label Variety | Selected Year |
|--------------------------|---------------|
| Cabernet Sauvignon | \$ 3.48M |
| Moscato | \$ 3.37M |
| Shiraz | \$ 2.71M |
| Merlot | \$ 1.22M |
| Shiraz Blend | \$ 983K |
| Chardonnay | \$ 888K |
| No Label Claim | \$ 635K |
| Cabernet Blend | \$ 489K |
| Sauvignon Blanc | \$ 175K |
| Cabernet Sauvignon Blend | \$ 129K |
| Riesling | \$ 81.88K |
| Chardonnay Blend | \$ 77.44K |
| Pinot Noir | \$ 66.27K |
| Pinot Gris | \$ 36.92K |
| Pinot Grigio | \$ 36.28K |
| Grenache | \$ 25.88K |
| Semillon Blend | \$ 21.88K |
| Semillon | \$ 18.69K |
| Grenache Blend | \$ 14.69K |
| Montepulciano | \$ 2.89K |

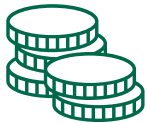
Source: Australian Wine Export Market Snapshot –Philippines- year ended December 2023

Path to market and Philippine regulations



Distributor requirement

- Find an importer/distributor
- Expectation of exclusivity and marketing support (which may include listing fees)
- Distributor accreditation with hotels and food service accounts



Duties and Taxes

- AANZFTA and RCEP
- 12% VAT
- Excise tax: Php 63.12/ litre (2024) (6% increase every year)



Trade Agreements

- AANZFTA: 0% tariff for wines in 2015 vs MFN 5%-7%
- Upgraded AANZFTA in 2024
- RCEP since June 2023
- Certificate of Origin (COO) Form for every shipment



Registration with the Food and Drug Administration (FDA)

- Importer/distributor to do online FDA registration
- License to Operate + Certificate of Product Registration
- FDA registration still applies to products sold online
- 3-4 months registration



Transport & Logistics

- Sea: with transshipment in Singapore, HK, other Asian ports
- Air: 31 direct flights

Australian Festival with Robinsons Retail



Straight from the Vineyard

Meet the Winemakers and enjoy a wine tasting experience at Grand Atrium, Shangri-La Plaza from October 13 to 16, 10am to 9pm!

| | | | | |
|--|--|--|--|---|
|  Laurent Barrier Saignes, France |  Erwan Flaget Chateau Brille, France |  Graham Cranwick Cranwick Wines, Australia |  Anthony Murphy Terroir Estates, Australia |  Denys St. Pierre Wine Wines, Australia |
|--|--|--|--|---|

Wine Fair
The Marketplace

THE MARKETPLACE Wine Fair Shangri-La Plaza

Taste of Australia Showcase Australia Day Reception



2023 Wines of Australia E-Commerce Campaign Winery.ph

Shop all Aussie wines at 20% off

Promo runs from May 22 to June 21

ENTER THE CODE: AUS20OFF



*Limited to 100 redemptions

In partnership with the Australian Trade and Investment Commission

Wine Campaigns in the Philippines

OFFICIAL



Australian Government

Australian Trade and Investment Commission

Thank you



AUSTRALIA

OFFICIAL