Growth Potentials of the Western Australian Wine Industry

Vilaphonh Xayavong¹
vila.xayavong@agric.wa.gov.au

Nazrul Islam¹²
nazrul.islam@agric.wa.gov.au

and

Manju Radhakrishnan¹
mradhakrishnan@agric.wa.gov.au

¹Department of Agriculture & Food Western Australia
²Curtin University of Technology

ABSTRACT

Wine is one of the significant export items of Western Australia (WA). The wine industry contributes about 40% of the final sale value of horticultural crops in Western Australia (DAFWA, 2009) and is also an important contributor to the state’s economy by producing about $700 million worth of wine in 2006 (Ward, 2009). The industry underwent a period of rapid expansion in production of wine grapes from 12 thousand tonnes in 1995 to about 84 thousand tonnes in 2006 which was three times faster than the national wine industry (Ward, 2009). However, the future growth of the industry is speculated to be gloomy as underpinned by the recent decline in exports (DAFWA, 2009). This paper attempted to verify such speculation by investigating both the supply and demand side issues of the WA wine industry supply chain in a global market context. Both qualitative and quantitative methods are applied by literature search and time series data analysis. The paper also presents a discussion on the determinants of growth potential of the WA wine industry in the near future.