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WHAT NEXT FOR AUSTRALIAN ALCOHOL CONSUMPTION – WILL WINE WIN?

Media are welcome to register and attend and press releases are available on request. The [program](#) is online. Please contact [Cathy Reade](#) 0413 575 934 for releases or to arrange attendance or interviews.

Australia had a spirits-focused first century of European settlement and a beer-focused second century – so what next?

Comparisons of the patterns of consumption of alcohol, the trends in Australia across time and between countries will be the focus of a symposium with the world's top 'beverage economists' as part of the 63rd Annual Conference of the Australasian Agricultural and Resource Economics Society (AARES) from 12-15 February at the Melbourne Convention Centre.

"While Australia was not exceptionally alcoholic after the first few decades of European settlement, compared with Britain and the main wine-producing countries, research on trends suggests expenditure on alcohol may continue to rise even if the volume of alcohol consumed and alcohol's share of total expenditure have peaked," said Prof Kym Anderson, in his address on *"Evolving from a Rum State: A Comparative History of Australia's Alcohol Consumption."*

"Australia's international competitiveness in wine is now firmly established and commensurate with its ideal wine-growing climate, notwithstanding the likelihood of further boom-slump cycles in the decades ahead," he said.

"During the most-recent four decades, the real retail price of wine in Australia has fallen very considerably while prices of beer and spirits have risen. Technological improvements in grape and wine production and associated firm concentration in the industry contributed, as did a drop in export demand thanks to a real appreciation of the Australian dollar and the global financial crisis."

"Australia's wine share is already almost up to that of the world's wine-focused country group which is three times the global share. Thus future changes in the mix of alcohol consumed – between wine, beer and spirits – are likely to be slower than those of the past half-century."

"The global mix of recorded alcohol consumption has changed dramatically over the past half century. Wine's share of the volume of global alcohol consumption has fallen from 34% to 13% since the early 1960s, while beer's share has risen from 28% to 36%, and spirits' share has gone from 38% to 51%. In liters of alcohol per capita, global consumption of wine has halved, while that of beer and spirits has increased by 50%," Prof Anderson reported.

"Australia's fledgling craft distilleries may lift the share of spirits in Australia's alcohol consumption, given that share is now less than half the global share, while the craft beer revolution in Australia may pause the decline in beer consumption, especially in expenditure terms."

Prof Anderson noted that more-stringent alcohol regulations may impact all this.

"Alcoholic products have been subject to many government regulations, and for myriad reasons. Stated and often conflicting objectives include to enhance government revenues through taxes, to protect consumer health, to lower health costs, to reduce violence from alcohol abuse, and to constrain market power of producers."

Other presentations at the symposium include "The Global Craft Beer and Spirits Revolutions in Historical Perspective," by Professor Jo Swinnen, Catholic University of Leuven and Stanford University, and "Evolving Consumption Patterns in the U.S. Alcohol Market," by Professor Julian Alston, UC Davis.