

MEDIA RELEASE

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China-Australia Free Trade Agreement – one year on and still going strong

On 20 December 2015, the China-Australia Free Trade Agreement (ChAFTA) entered into force. From this date, Australian wine exporters could claim preferential tariff reductions through accompanying wine consignments with a ChAFTA Certificate of Origin. Australian wine exports have had two tariff reductions since the entering of force of ChAFTA. For most wine, the rate has fallen from 14% to the current rate of 8.4% and will drop further to 5.6% on 1 January 2017, giving Australian winemakers a substantial competitive advantage over our European counterparts.

Australian wine exporters have made the most of the preferential tariff rates into China and China is now Australia's most valuable wine export market. In the last 12 months, exports to mainland China have grown by over 50% per cent to just under \$500 million. To put this in context, just a decade ago, Australian wine exports to China were valued at \$27 million.

The trade benefits of the China–Australia Free Trade Agreement, and the growing Chinese middle class' increased interest in wine, have meant that more than a third of Australian wine exports priced \$10 and more per litre FOB, are now destined for China (valued at almost \$200 million and up over 60 per cent).

'The demand for our premium wines in China shows no sign of abating and the next round of tariff cuts will give us a further advantage over our next biggest rivals in France' said Tony Battaglene, Chief Executive of the Winemakers' Federation of Australia.

He went on to say 'The Australian Governments' continued emphasis on pursuing trade opportunities and reducing market access barriers is welcomed by the wine sector and the benefits of this will flow on to rural and regional Australia over the next decade'.

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MEDIA NOTE: Available for interview - WFA Chief Executive Tony Battaglene – 0413 014 807

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