Monday, October 12, 2015

News Release

Time called on ChAFTA delays

The Winemakers' Federation of Australia has urged Parliamentarians to turn on the green light when debate starts on the China-Australia Free Trade Agreement (ChAFTA) implementing legislation.

The draft legislation was introduced in September and the Joint Standing Committee on Treaties was expected to lodge its report on ChAFTA sometime this week.

"Any delays would cost the wine industry over $50 million – and the clock is ticking," Federation Chief Executive Paul Evans said.

"China is the third biggest export market for Australian wine, behind the UK and US, with exports to China valued at $242 million in the 12 months to March this year," he said.

"Removing tariff barriers opens the door for growth and puts Australia on par with Chile whose wines became tariff free in China this year and New Zealand wines which have been tariff free since 2012.

"As part of the Free Trade Agreement, the current import tariff of 14% for Australian bottled wine and 20% for bulk wine will be phased out over four years, providing a significant boost for those Australian winemakers attempting to export into China as well as those who already have their foot in the door.

"China has doubled its consumption of wine twice in the past five years alone and it is expected to overtake the US as the world's largest consumer of wine in 2016 so it's essential we can compete on the same terms as other major wine producing nations.

"The potential of ChAFTA, coupled with an upturn in consumer demand and more favorable exchange rates also reinforces the importance of the Federation's submissions to government this year recommending an increase in funding available to industry to promote Australia wine overseas so the full opportunity to capture growth in key global markets can be realised.

"The Federation urges all sides of politics to support ChAFTA's ratification before the end of the year."

Media Contact: Alexia Deegan – 0400 767 490, alexia@wfa.org.au