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## China deal clears way for wine exports

This week's official signing of a free trade agreement with China has been welcomed by the Winemakers' Federation of Australia.

The deal will draw down existing wine tariffs to zero over four years and has the potential to add tens of millions of dollars to the Australian wine industry's export earnings.

The potential of Free Trade Agreements like China, an upturn in consumer demand and more favorable exchange rates reinforce the importance of the Federation's submissions to government recommending an increase in funding available to industry to promote Australia wine overseas so the full opportunity to recapture share and margin in our global markets is realised.

Importantly, Federation International Affairs and Strategy General Manager Tony Battaglione said ending the import tariff in China opened the door for market expansion.

"China is currently our third largest wine export market by value, with around 44 million litres of Australian wine imported to the value of \$242 million in the 12 months to March 2015," Mr Battaglione said.

"Clearing tariffs opens the door for growth and the wine industry looks forward to working with government and others to seize these emerging opportunities.

"Removing the import tariff will put Australia on par with Chile which is tariff free from this year and New Zealand which has had no tariff since 2012.

"It will create a level playing field when it comes to price and value and in that environment the Australian wine producer stands out in the crowd.

"As part of the deal, we expect the current import tariff of 14% for bottled wine and 20% for bulk wine to be phased down to zero over four years and this is very significant for those attempting to tap into the China market as well as those already with their foot in the door."

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