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MEDIA STATEMENT

ChAFTA delays could cost Australian winemakers over \$50M

The Winemakers' Federation of Australia has urged decision-makers to ratify the China-Australia Free Trade Agreement (ChAFTA) immediately, with the cost of delays significant at a time when industry is "doing it tough" domestically.

Federation Chief Executive Paul Evans explained a delay in ratification beyond 2015 could delay important tariff cuts to Australian wine exporters.

"We estimate delays in implementation could cost the Australian wine industry over \$50 million," Mr Evans said.

"We urge all sides of politics to support ratification of the Free Trade Agreement before the end of the year."

The Federation has made a submission to the Joint Standing Committee on Treaties (JSCOT) outlining the need for urgency. JSCOT is holding public hearings on Monday, August 17.

"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.

"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 which has had no tariffs on wine 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 for those already with 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 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 is realised."

Link to submission [here](#)

wfa.org.au/assets/submissions/Submission-to-the-Joint-Standing-Committee-on-Treaties-on-the-inquiry-into-the.pdf

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