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China seals 2014 'trade trifecta' for wine

A much-awaited free trade agreement with China seals this year's trade trifecta and has the potential to add tens of millions of dollars to the Australian wine industry's export earnings.

Winemakers' Federation of Australia President Tony D'Aloisio AM said the agreement was a significant and welcome breakthrough.

"Bilateral negotiations with China have been long and detailed," Mr D'Aloisio said.

"Ending the import tariff in China has been high on our wish list for a number of years and the subject of many meetings and discussions with government, particularly in the face of the preferential trade terms enjoyed by some of our competitors," he said.

"While we will need to see the finer details of the China trade deal, reducing the import tariff opens the door for market growth.

"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 I cannot stress the significance of this enough.

"Taking out the import tariff will put Australia on par with Chile which will be tariff free from next year and New Zealand which has had no tariff since 2012.

"This will be potentially a game changer for Australian wine exports to China. It will directly benefit commercial and bulk wine and present an opportunity for higher priced wine to re-engage with wine buyers and retailers.

"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 every time.

"Following on from the Japan trade deal and the announced Korean-deal due to be ratified shortly, China gives us the winning trade trifecta for 2014.

"WFA congratulates the Australian Government for rigorously pursuing its trade agenda and especially Trade and Investment Minister Andrew Robb and Agriculture Minister Barnaby Joyce."

China is currently our third largest wine export market by value, with around 37 million litres of Australian wine imported to the value of \$211 million in the 12 months to September.

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