

10 December 2020

MEDIA RELEASE

Allegations of trade distorting subsidies for Australian grape and wine producers defy logic

Australian Grape & Wine is deeply disappointed by the Chinese Ministry of Commerce's (MOFCOM) decision today to implement preliminary countervailing duties of between 6.3 & 6.4 per cent on Australian bottled wine imports. This decision comes 12 days after MOFCOM implemented provisional anti-dumping duties of up to 212 per cent on Australian bottled wine, which effectively made the Chinese market unviable to Australian wine businesses.

"The allegation that Australian grape growers and winemakers receive trade distorting subsidies demonstrates a fundamental misunderstanding of our sector" said Tony Battaglone, Chief Executive of Australian Grape & Wine. "The OECD ranks Australia as the second least subsidised agriculture sector in the world".

"Australian grape growers and winemakers have been competitive in China because of their efficiency and the quality of the product. We don't understand how Australia is being accused of benefitting from subsidies, while other wine producing nations enjoy significant government subsidies and continue to export to China".

Each year, the OECD's highly-regarded Producer Support Estimate (PSE) reports on the levels of trade distorting subsidies that national governments provide to their agriculture sector. In 2020, the OECD estimated that farmers received around 2 per cent of receipts as a result of government measures, second only to New Zealand. By contrast, according to the report, Chinese farmers receive a PSE of around 13.3 per cent and EU countries provide around 19 per cent on average.

"Clearly, Australian grape growers and winemakers refute these findings. However, we will continue to engage in MOFCOM's process as cooperatively as possible" said Mr Battaglone. "The facts speak for themselves. We are not dumping wine in China, and as the OECD points out, our producers are not subsidised in any way that would harm the Chinese wine sector".

"Chinese consumers buy Australian wines because they enjoy them, it's that simple. It's a pity they won't have the opportunity to do this in the near future" said Mr Battaglone.

"My message to all Australians right now is this: Buy local! Enjoy your favourite Australian wine in moderation this summer and raise a glass to the grape growers and winemakers doing it tough. They'll thank you for it".

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Media Contact: Lee McLean, 0418 998 749 / lee@agw.org.au

Media Contact: Ali Laslett, 0424 135 381 / ali@agw.org.au

Available for Interview: Tony Battaglone, Chief Executive – 0413 014 807 / tony@agw.org.au

About Australian Grape and Wine Inc



Australian Grape and Wine Inc is the national association of grape and wine producers. We address issues across the supply-chain that impact on the profitability and sustainability of the sector. We lead and advocate public policy that enhances the ability to responsibly produce, promote and enjoy Australian wine in moderation.

Australian Grape & Wine is recognised as a representative organisation for winegrape and wine producers under the Wine Australia Act 2013, and is incorporated under the SA Associations Incorporation Act 1985. We work in partnership with the Australian Government to develop and implement policy that is in the best interests of winegrape growers and winemakers across Australia.