

MEDIA RELEASE

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North Asia Wine Exports flying high with tariff cuts

Winemakers' exporting to Northern Asia could see an increase in their bottom line when Australia's Free Trade Agreement (FTA) with China delivered further tariff cuts on 1 January 2017.

Australia's FTAs with China, Japan and South Korea are giving Australian wine makers a competitive edge, by reducing, and in many cases eliminating existing import tariffs on wine in comparison to our major competitors. This includes the tariff cut on 1 January 2017, when the tariff paid on Australian wine imports into China fell to 5.6 per cent compared to the 14 per cent most other wine imports will continue to pay.

'The demand for our premium wines in China continues to grow and the latest tariff cut will give us a further advantage over European and US wine' said Tony Battaglione, Chief Executive of the Winemakers' Federation of Australia. 'With a further tariff cut for bottled wine exports to Japan to come in on 1 April 2017 and South Korea having already eliminated tariffs for Australian wine, the Government's Free Trade agenda is paying dividends for our industry'.

But getting these reduced tariffs is not automatic. Australian wine exporters will need an additional document - FTA-specific Certificate of Origin (CoO) or Declaration of Origin (DoO) for shipments. The Department of Foreign Affairs and Trade (DFAT) have produced a short guide to step wine and other exporters through how to use FTAs, including how to obtain an FTA-specific CoO/DoO. A link to the short guide is here - <http://dfat.gov.au/trade/agreements/Documents/using-ftas-to-reduce-the-landed-cost-of-your-exports-for-your-overseas-customer.pdf>

Mr Battaglione added 'Winemakers must actively take the steps to get the preferential tariff rates available under the FTAs, and we encourage all Australian winemakers to take advantage of them'.

Current and future tariffs for wine under each of the North-Asia FTAs are set out below.

China – Australia FTA tariff wins for wine	
Sparkling wine	Was 14%, will be cut to 5.6% on 1 January 2017. To be fully eliminated by 1 January 2019
Bottled wine	Was 14%, will be cut to 5.6% on 1 January 2017. To be fully eliminated by 1 January 2019
Bulk wine	Was 20%, will be cut to 8% on 1 January 2017. To be fully eliminated on 1 January 2019
Japan- Australia EPA tariff wins for wine	
Sparkling	Was 182 yen/L, will be cut to 91 yen/L on 1 April 2017. To be fully eliminated by 1 April 2021
Bottled wine	Was 15% or 125 yen/l, whichever is the less, subject to a minimum customs duty of 67 yen/l. Currently 9.4% or 125 yen/l, whichever is the less, subject to the minimum customs duty of 41.88 yen/l. Will be reduced progressively to 0% on 1 April 2021
Bulk wine	Was 45%, fully eliminated on 15 January 2015
Korea – Australia FTA tariff wins for wine	
Sparkling wine	Was 15%, fully eliminated on 12 December 2014
Bottled wine	Was 15%, fully eliminated on 12 December 2014
Bulk wine	Was 15%, fully eliminated on 12 December 2014

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MEDIA NOTE: Available for interview - WFA Chief Executive Tony Battaglione – 0413 014 807

MEDIA CONTACT: Alison Laslett – 0424 135 381