

## NEWS RELEASE

### Trans-Pacific trade deal another step closer

The Winemakers' Federation of Australia has welcomed release of the Trans-Pacific Partnership (TPP) treaty information.

Federation International Affairs General Manager Tony Battaglione said the TPP promises to level the playing field for Australian wine exports into the 12 signatory economies which last year accounted for 45% of Australia's total wine exports – or around \$837 million out of the total \$1.9 billion in total wine exported in 2014\*.

“Releasing the text takes the TPP another step forward to being ratified in Australia,” he said.

“It is going through legal and other government due diligence but overwhelmingly it is a significant opportunity for Australian wine exporters who will see trade tariffs drawn down or removed completely as the case is into Canada.

“This agreement is the first free trade agreement in the world that has specific provisions to reduce barriers to trade arising from differing label regulations. Importantly this is a first step to creating a common regulatory framework in the region.

“Our wines are already globally competitive so removing tariff barriers puts us on equal trade terms for the first time and that means being in a much stronger position to grow market share – it's a win-win for wine.”

Under the TPP, the Australian wine industry will see:

- Mexico – elimination of tariffs on wine into Mexico (currently 20%) between 3-10 years;
- Canada – elimination of tariffs on wine upon entry into force (Australian wine exports to Canada valued at \$174 million in 2014; current tariffs are between \$1.87c/litre & \$4.68c/litre);
- Peru – 9% wine tariffs to end within 5 years;
- Malaysia – removal of tariffs on wine within 15 years (valued at \$34 million in 2014);
- Vietnam – removal of tariffs on wine within 11 years (valued at \$5.4 million in 2014; currently subject to tariffs up to 54%).

The 12 TPP countries are: Australia, the US, New Zealand, Canada, Mexico, Chile, Peru, Japan, Singapore, Malaysia, Brunei Darussalam and Vietnam.

Each TPP country is now required to take the agreement to their respective Parliaments. Australian Trade and Investment Minister announced the release of the TPP negotiated text on November 5.

The China-Australia Free Trade Agreement has also now passed both Houses of the Australian Parliament, with tariff cuts on track to start in January.

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\* Source: Department of Foreign Affairs and Trade