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NEWS RELEASE

Wine export growth tipped under 12-nation trade pact

The Winemakers' Federation of Australia has welcomed the Trans-Pacific Partnership (TPP) as an opportunity to grow wine exports and attract future investment.

Federation President Tony D'Aloisio AM said the TPP promised to level the playing field for those entering the 12 signatory countries which last year accounted for 45% of Australia's wine exports – or \$837 million out of the total \$1.9 billion in total wine exported in 2014.

“While we need to assess the TPP detail, overwhelmingly the agreement is a significant development for Australian wine exporters who will see trade tariffs drawn down or, in the case of Canada, removed immediately upon the agreement's ratification,” Mr D'Aloisio said.

“Our wines are globally competitive so by removing the tariff barriers we will compete on a level playing field and that means Australia can take it up to our competitors on equal terms for the first time and be in a stronger position to grow our market share.

“The TPP is also about the size of the prize – we are talking about a region covering 40% of world GDP.

“And on top of that the TPP is an attractive deal because removing trade barriers and encouraging relationships between the TPP countries could potentially unlock future investment for our wineries and vineyards as well as our intellectual capital.”

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.

The next stage requires each TPP country to take the agreement to their respective Parliaments, and Mr D'Aloisio said it was hoped the Australian Parliament would endorse the accord before the end of the year.

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