



**Australian Grape & Wine Submission
to:**

**The Department of Foreign Affairs and
Trade - Feasibility study on
strengthening trade and investment
with the European Free Trade
Association (EFTA)**



Contents

Who are we	3
EFTA and Wine	4
Australian Wine Priorities for an FTA with EFTA	4
Trade barriers	4
Other priorities	4
Contact	5

Who are we

Australian Grape and Wine Incorporated (Australian Grape & Wine) is Australia's national association of winegrape and wine producers. Our activities focus upon the objective of providing leadership, strategy, advocacy and support that serves Australian wine businesses now and into the future.

We represent the interests of the more than 2,500 winemakers and 6,000 winegrape growers working in Australia. Our role is to help forge a political, social and regulatory environment - in Australia and overseas - that enables profitable and sustainable Australian wine and winegrape growing businesses. These businesses make a significant contribution to underpinning regional economies by driving growth in jobs, regional exports and food and wine tourism.

Australian Grape & Wine's voluntary membership represents over 75% of the national winegrape crush. We represent small, medium and large winemakers and winegrape growers from across the country. Policy decisions by the Australian Grape & Wine Board require 80% support, ensuring no single category can dominate the decision-making process and guaranteeing policy is only determined if it provides significant industry benefit. In practice, most decisions are determined by consensus.

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.

EFTA and Wine

Australia wine exports to EFTA nations have been stable at around \$13 - \$14 million in total over the past 5 years. Of the EFTA nations the majority of this wine goes to Switzerland and Norway with a much smaller market in Iceland and not exports of Australian wine to Liechtenstein.

Despite these smaller volumes of exports to the EFTA nations, they and their Nordic neighbours are considered a high priority for the sectors market diversification and expansion. The markets are considered to have very good potential for growth due to its strong demand for high quality, sustainably produced wine.

Many of the Nordic markets are dominated by state owned alcohol retail monopolies which control the majority alcohol sales and movement within their countries, including imports. These are often the best and in some cases only viable option for Australian wine exports in these markets.

Australian Wine Priorities for an FTA with EFTA

Trade barriers

Australian Grape and Wine also strongly supports the inclusion of a sector specific annex to address technical barriers to trade. For example the Wine and Distilled Spirits Annex (Annex 8-A) inclusion in the CPTPP was a significant achievement and one Australian Grape & Wine will continue to support in future FTA negotiations such as EFTA.

The annex helps to address Technical barriers to trade for Australian wine exporters in regard to:

- Streamlining certification requirements
- Mutual acceptance of Oenological (winemaking) Practices
- Labelling Requirements
- Tractability and fraud

Other priorities

As noted, many of the Nordic markets are dominated by state owned alcohol retail monopolies which control the majority alcohol sales and movement within their countries, including imports. These retail monopolies impose a number regulations or standards on the products which they purchase for sale on their shelves. Much of this is driven by consumer lead interests such as sustainability of products. A key priority of the sector is seeking to harmonise a number of these regulations and or gaining mutual recognition for practices such as sustainable production. Support for highlighting Australian wines strong and longstanding sustainable practices and systems in place to ensure compliance would be of great value in growing demand for Australian wine in these countries.

Conclusion

Free trade agreements, which address tariff removal and sector specific technical barriers to trade, are an important tool for liberalizing trade and ensuring the sector will continue to support Australia's regional economic jobs and growth.

Australian Grape & Wine welcomes the opportunity and is highly supportive of the expansion of Australia's Free trade agreement efforts into new and emerging wine markets such has EFTA. We seek to continue to evolve and discuss the sectors priorities with the Australian Government to ensure the best outcome for trade and the sector

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