

1 October 2020

INDUSTRY UPDATE

Chinese Ministry of Commerce announce sampling for Australian Wine anti-dumping and countervailing duties investigation.

The Chinese Ministry of Commerce (MOFCOM) has initiated anti-dumping (AD) and countervailing duties (CVD) investigations into Australian wine exports. Both investigations apply to Australian wine exported in packages of two litres and under, and were initiated at the request of the China Alcohol Drinks Association (CADA).

The current situation is as follows:

Anti-Dumping (AD) Investigation

The AD investigation was initiated on 18 August 2020 and 31 Australian wine exporters registered to take part in the investigation.

On 15 September 2020, MOFCOM issued all 31 registered companies with an anti-dumping sampling questionnaire to determine how it would select the companies it would sample. The response to this questionnaire was due by Friday 25 September.

On Monday 28 September, MOFCOM announced it would conduct the anti-dumping investigation by using a sampling approach. MOFCOM selected three companies to proceed with the anti-dumping investigation. These companies are:

- Treasury Wine Estates
- Casella Wines
- Australia Swan Vintage

MOFCOM selected these companies as a sample of the companies that registered for the process, based on the companies' reported export volumes.

The notification stated that interested parties have seven days from the announcement to comment on the sampling results.

Countervailing Duties Investigation

The CVD investigation was initiated on 31 August 2020 and 31 Australian wine exporters registered to take part in the investigation.

In a similar process, the companies that registered for the CVD investigation were issued with a sampling questionnaire on 23 September 2020, for MOFCOM to determine how it would select the companies it wanted to sample.



The response to this questionnaire was due on Monday 28 September 2020.

On Wednesday 30 September, MOFCOM announced that it would take a sampling approach to the CVD investigation, naming four companies it will sample. These companies are:

- Treasury Wine Estates
- Casella Wines
- Australia Swan Vintage
- Pernod Ricard Winemakers

The notification stated that interested parties have seven days from the announcement to comment on the sampling results.

For both of these processes, we understand that the named companies in each investigation will receive the full AD and/or CVD questionnaires, at which point they are expected to have between 30-37 days to respond.

We do not know what these questionnaires will look like until they are released by MOFCOM, but we expect them both to be lengthier than the sampling questionnaires and to require detailed responses from the named companies.

We will continue to support and work with the named companies and assist their efforts to respond to MOFCOM's investigation.

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.