



MEDIA RELEASE

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Wine sector applauds the signing of the Australia-Korea Free Trade Agreement

The wine sector has welcomed the announcement of the successful completion of negotiations for the Australia-Korea Free Trade Agreement announced today.

“This agreement is critical to enhance the export opportunities for Australian wine and we congratulate the Australian government in bringing these negotiations to a successful conclusion” said Winemakers’ Federation (WFA) President Tony D’Aloisio.

WFA recently met with Minister for Trade The Hon Andrew Robb to discuss the importance of improving market access for the wine industry including completion of Free Trade Agreements in a number of our key markets including Korea.

“Today’s outcome following those discussions will result in the elimination of the 15% tariff that Australian wine faces in Korea bringing us into line with our key competitors Chile, the EU and USA who pay no import tariff by virtue of their Free Trade Agreements and have gained market share at our expense as a result.”

The export market has always been critically important for the Australian wine industry. In 2012, 64 per cent of the wine produced in Australia was destined to be exported to other markets. While traditional export markets such as the USA and the UK remain important for Australian wine exporters – and wine consumption in these markets, particularly in the premium category, continues to grow strongly the opening up of new opportunities in Asian markets such as China, Korea, Japan and Thailand will be vital to the wine sector’s success.

Korean wine consumption is expanding rapidly as the burgeoning middle-class starts to appreciate Australian wine. Australian winemakers have already identified this opportunity and are working hard to exploit it. Currently Australia is the 6th highest importing nation into South Korea, by value, with a 5.7% share of total imports behind France, Chile, Italy, USA and Spain. For the Republic of Korea, the fall in the retail price due to the elimination of tariffs is expected to stimulate stronger demand for Australian wine.

“The one critical area we need help from the Government is in ensuring that when Australian wines enter new and developing markets and take on our competitors from France, Spain, Chile and New Zealand we are doing so on an even playing field. This agreement achieves that objective,” said Mr D’Aloisio.

Further information:

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