

THE IMPORTANCE OF INTERNATIONAL ORGANISATIONS AND AGREEMENTS

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INTRODUCTION

- Wine trade is growing in APEC region
- Critical need for better regulatory coherence
- Non-tariff barriers cost > \$1 billion APEC Member Economies and businesses
- Confusing network of international trade agreements, treaties, intergovernmental organisations and industry organisations

WORLD TRADE ORGANISATION (WTO)

- Establishes a number of agreements that govern world trading to prevent measures designed to impede trade
- 3 important agreements governing regulatory practices are:
 - 1) Agreement on Technical Barriers to Trade (TBT)
 - 2) Trade-Related Aspects of Intellectual Property Rights (TRIPS)
 - 3) Sanitary and Phyto-Sanitary Agreement (SPS)

WORLD WINE TRADE GROUP (WWTG)

- Formed in 1998 as an informal plurilateral group with the objective of facilitating trade
- Includes Australia, New Zealand, Canada, South Africa, Chile, Argentina, Georgia and the United States
- Has become a successful forum for industry and regulators to jointly discuss issues concerning global wine trade (e.g. composition regulations, sustainability and health labelling)

WORLD WINE TRADE GROUP (WWTG)

- WWTG has negotiated two formal treaties:
- 1) Mutual Acceptance Agreement on Oenological Practices (December 2001)
 - signatories accept that wine made in other signatory economies in compliance with domestic requirements should be allowed to be sold in its market, despite differences in oenological practices
 - importing country reserves the right to take appropriate measures to protect human health & safety, consistent with WTO obligations

WORLD WINE TRADE GROUP (WWTG)

- 2) Agreement on Requirements for Wine Labelling (January 2007)
 - Wine exporters are able to sell wine into WWTG markets without the need to redesign labels for individual markets
 - WWTG participants agreed to 4 common mandatory items as compliance with domestic requirements if they are presented (product name, volume, alcohol content and country of origin)

INTERNATIONAL ORGANISATION OF WINE AND THE VINE (OIV)

- OIV is an intergovernmental organisation of a scientific and technical nature concerning vines, wine, wine-based beverages, table grapes, raisins and other vine based products.
- 45 member economies – account for 85% of world wine production, also includes consumer economies.
- OIV is a good reference point for members when drafting regulations regarding oenological practices. Members are not obliged to adopt standards, but some, such as EU voluntarily do.

CODEX ALIMENTARIUS COMMISSION

- Founded in 1962 to protect health, improve consumer protection and facilitate fair trade
- Establishes int'l food standards, guidelines and recommendations
- Codex is required to base its standards on sound scientific analysis and evidence
- Codex's health, food safety and commodity standards serve as references under WTO SPS and TBT Agreements and ensures Codex's credibility and suitability for Australian conditions

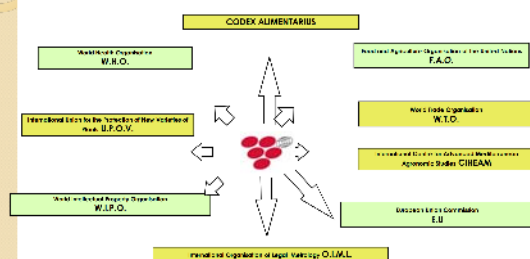
INTERNATIONAL ORGANISATION OF LEGAL METROLOGY

- OIML – an intergovernmental treaty organisation est. in 1995 to promote global harmonisation of legal metrology procedures.
- While OIML recommendations are not binding, decisions made in OIML will impact on APEC trade.
- International consensus is achieved through technical committees and subcommittees.
- TC6 – Pre Packaged Products is of most relevance to APEC wine sector and is poorly represented by APEC Member economies.

FIVS

- Worldwide federation for beer, wine and spirits whose objective is to promote an industry free from all trade-distorting factors and encourage exchange of information by members in forums.
- FIVS is primed for achieving ABAC priorities given APEC's emphasis on business.
- ABAC 2011 prosperity based on 2010 APEC Growth strategy – balances, inclusive, sustainable, secure and innovative.
- 2011 work includes regional economic integration; SSME, entrepreneurship and job creation; sustainable growth with focus on energy security and food security.

Inter-Governmental Organisations Cooperation



APEC RELATED FREE TRADE AGREEMENTS

- Large number of FTAs negotiated between APEC economies.
- Considerable benefit in seeking regulatory coherence across agreements to facilitate trade.
- Current Australian FTA's: ASEAN Aust-NZ FTA, Singapore FTA, Thailand FTA (TAFTA), United States FTA, Australia-NZ Closer Economic Relations, Chile FTA
- Actively negotiating FTA's with China, Indonesia, Japan, South Korea, Malaysia, Pacific Islands Forum
- Trans Pacific Partnership (TPP) Agreement – Australia, Brunei, Chile, NZ, Singapore, Peru, US, Vietnam and Malaysia.
- NZ has FTA's with China, Singapore, Thailand, Brunei, Chile, Malaysia and Hong Kong

EUROPEAN UNION

- Regulatory developments in Europe have impacts worldwide due to dominance in volume of wine production.
- Strong export of still and sparkling wine to foreign markets (US, Japan, Canada) and high market share.
- Direct engagement with European Commission on wine issues is undertaken bilaterally or through invitation by the WWTG.

CONCLUSION

- Many international organisations influence regulatory framework for wine within APEC region.
- Difficult for bodies without direct interest to maintain understanding of issues and developments or to put in regulation that meets WTO objectives.
- APEC economies should maintain transparent, effective, enforceable and mutually coherent regulatory systems that are science-based, adhere to international best practices & promote high levels of collaboration.

CONCLUSION

- APEC Wine Regulatory Forum provides ideal opportunities for exchange of information, capacity building and improving regulation to facilitate trade and enhance customer safety.
- View towards greater harmonisation with international standards across APEC members.
- Specific activities: monitoring trade issues/barriers; negotiating market access improvement and import streamlining; collaborative engagement with international bodies; building relationships and comprehensive understanding of regulatory requirements in key export economies; providing assistance to governments to meet trade policy objectives.