Best Practices in Wine Regulation

What is the World Wine Trade Group?

- The World Wine Trade Group (WWTG) was formed in early 1999, consisting of wine-producing economies working together with a mutual interest in facilitating worldwide trade in wine. Present members include Argentina, China, Canada, Australia, New Zealand, South Africa, United States, and Georgia.

- The WWTG is a unique plurilateral body that is structured by the participating members as an informal group which brings together industry, trade regulators and government regulators with its principal focus to negotiate agreements and to coordinate government activities to reduce unwarranted trade and regulatory barriers to international wine trade.

WWTG Trade Priorities:

- Recognize the role of the WTO and its agreements including TRIPS, TBT and SPS.

- Establish clarity that there is a fundamental difference between the necessity of governments to regulate wine in order to protect the health and safety of consumers and regulatory requirements over non-health related production methods of how wine is made.

- Solve to have all wine producing and consuming economies accept the differences in wine making practices should not be used as a barrier to trade.

- Meaning by exchanging information, regulatory developments in non-WWTG economies, thereby helping to establish where these pose unnecessary costs or WTO inconsistent barriers.

Understanding Regulatory Structures for Domestic Wine Production and in International Trade

- A primary focus of the WWTG is to understand the different regulatory structures of its Members and its Members trading partners:
  - How does each local wine producing industry and regulatory structure compare with other participant economies;
  - How do the members regulatory systems compare with other wine producing systems such as the European Union;
  - How non-wine producing economies regulate the importation of wine.

WWTG Accomplishments

- Successfully negotiated trade treaties on winemaking practices and wine labeling that emphasize the importance of health and safety protections related to wine but reduce unnecessary testing and labeling restrictions for the wine trade.

- Developed a crosscutting framework for regulatory coherence that has proven to dramatically increase wine exports while protecting health and safety concerns, preventing consumer deception and advancing the goals of the WTO.

- Resides as an example to APEC and TPP.

- Through success of WWTG, the wine industry has struck a balance between reducing technical barriers to trade and maintaining health, safety and intellectual property protection.

The Mutual Acceptance Agreement on Oenological Practices (MAA)

- The MAA is the first plurilateral equivalence agreement in any sector, fully complying with the WTO Agreement Section 27.

- All signatory economies to the MAA accept the winemaking regulations/standards of the exporting registry, thus eliminating the need for testing of imported wines.

- Consumers health and safety protections are outside of the Agreement. These are governed by each signatory’s domestic regulations.

- To summarize the agreement in a simple sentence: if a wine sold in the domestic market meets health and safety/food manufacturing requirements of that market, when exported the importing authorities do not need additional detail and testing so how the wine was produced.
Notable Provisions

Mutual Acceptance
Permit the importation of wine produced in the territory of another Party in conformity with the exporting Party’s requirements relating to wine regulations and the mechanisms to register them.

Multilateral Obligations
Noting the Agreement shall limit the rights or obligations of the Parties under the WTO Agreement.

Labeling
Regulations relating to labeling shall be transparent, non-discriminatory and issued in accordance with WTO, SPS and TBT measures.

Council of the Parties
A Council in which each Party has equal representation is established.

Committee of Experts
The Parties shall establish a list of four experts in the field of enological practices.

Notable Provisions cont.

Dispute Settlements
In the event a Party considers a measure by another Party to be inconsistent with the Agreement, the complaining Party may request written consultations with the Party that is applying the measure. If the Parties fail to reach an agreement, the Dispute Settlement Body shall be established on the request of either Party. The Dispute Settlement Body shall issue its report within thirty months from the submission of the case.

Transparency
The laws, regulations and requirements relating to regulatory processes for each Party shall be incorporated in a Schedule.

Amendments
Any Party may propose amendments to the Agreement. Action on the proposal shall be submitted to the Depositary within thirty months of the proposal. The proposal shall be circulated to all Parties for consideration by the Council.

Withdrawal
A Party may withdraw from the Agreement by written notification to the Depositary.

Agreement on the Requirements for Wine Labeling
Signed: January 23, 2007, Conference

Agreement Goal:
To enable wine exporters to sell wine into WWTG markets without having to redesign their principal label for each individual market, thus significantly reducing costs for the exporters.

Notable General provision:
Allows placement of the principle four items of mandatory regulatory information, generally required by governments, anywhere on a wine bottle label provided that they are presented in a single field of vision.

WWTG Ongoing Work

MOU on labeling requirements
Phase II on labeling negotiations
Exploratory Work on Sustainability Labeling: To develop criteria and measures to support the implementation of sustainable wine practices.

WWTG Regulations Forum: Regulatory representatives from member economies meet periodically to share updates and exchange views on developments in wine trade regulations.

ARCC Subcommittee on Standards and Conformance (SSCC): WWTG represents as a non-member country where it has established a Wine Regulatory Forum to address non-tariff barriers in the wine sector.

Seminar on Key Issues in Wine Regulation
San Francisco, United States
18-19 September 2011

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