ASIA-PACIFIC REGULATORS MEET TO STREAMLINE PACIFIC RIM WINE TRADE

SAN FRANCISCO – Wine regulators from 18 Asia-Pacific governments met this week to share ideas on building the Pacific Rim wine trade.

More than 100 officials gathered with international wine industry representatives in San Francisco and Livermore Valley, California, at an Asia-Pacific Economic Cooperation (APEC) workshop to discuss reducing unnecessary impediments to trade, including streamlining regulatory import-export requirements. The regulators also shared best practices on wine certification, analysis, winemaking practices and labeling in the region.

In the past decade, wine trade in the 21-nation APEC region has grown significantly, accounting for 26% of all global trade in 2010, up from 21.8% in 2000. More than one-fifth of APEC members’ global wine trade is conducted within the region, which has tripled to $3.6 billion in value over the last decade.

The two-day APEC Wine Regulatory Forum meeting, sponsored by the U.S., Australia, Chile, New Zealand and Peru, included delegations from China, Chinese Taipei, Hong Kong, Indonesia, Japan, South Korea, Mexico, Papua New Guinea, the Philippines, Russia, Singapore, Thailand and Vietnam.

Former World Trade Organization (WTO) Director-General and current New Zealand Ambassador to the U.S. Michael Moore said that the APEC region wine trade, while quickly growing in significance, is burdened by major costs due to different and sometimes conflicting regulatory requirements which reportedly cost APEC economies and businesses approximately $1 billion USD per year. Ambassador Moore added that New Zealand’s experience suggests that an open market and a streamlined regulatory environment is a necessary pre-condition for the development of domestic wine production and trade.

Meeting participants heard from 30 Pacific Rim officials on achieving greater regulatory alignment for wine in the region, the importance of international organizations such as the WTO and World Wine Trade Group (WWTG) in facilitating free and open trade, and the role of laboratory testing in regulating wine.

One of the desired outcomes of the APEC “Seminar on Key Issues in Wine Regulation”
was to connect the officials responsible for making decisions on wine standards and regulations in order to share different perspectives. At the meeting’s close, Julia Doherty, Senior Director at the U.S. Office of Trade Representative and the APEC Sub-Committee on Standards and Conformance chair, summed up the themes which emerged and suggested ways in which the governments and wine community might reduce barriers to trade including eliminating unnecessary export certificates, participating at the Codex Alimentarius Commission and World Wine Trade Group and developing a forward looking plan that involves increased information sharing on regulatory developments among APEC economies.

International wine industry leaders praised the APEC initiative. Robert P. (Bobby) Koch, President and CEO of Wine Institute, the public policy advocacy group representing over 1,000 California wineries and affiliated businesses, said, “This historic meeting brought wine regulators from key Pacific Rim markets together for the first time to focus on ways to reduce the time, cost and uncertainty of moving goods throughout the region.”

Philip Gregan, head of the New Zealand Winegrowers, called the meeting “a very positive development.” He added, “The regulators demonstrated a strong commitment to improving the APEC trade environment and working together to increase regulatory coherence and regulator cooperation.”

The APEC seminar builds on efforts of the World Wine Trade Group (WWTG), an informal group of U.S., Argentina, Australia, Canada, Chile, Georgia, New Zealand and South Africa governments and trade associations which works to facilitate trade. The WWTG agreements on mutual acceptance of winemaking practices and labeling were a major focus of the APEC meeting. WWTG seeks to have all wine producing and consuming countries accept that differences in winemaking practices should not be used as a barrier to trade.

Federico Mekis, from Chile which chairs the WWTG this year, said, “This new era of regulatory cooperation and communication will greatly help bring about a seamless Pacific Rim wine economy resulting in increased economic growth, employment and prosperity across the region.”

Tony Battaglene of the Winemakers Federation of Australia said the meeting was “an important step for government officials from throughout the region to build confidence in each other’s regulatory systems and to work with industry to eliminate unreasonable and duplicative requirements.”

Jim Finkle, President of FIVS, the international federation of alcohol beverage producers, said, “The Asia Pacific region trade in rice, grape and other fruit wine has grown dramatically in importance for both exporting and importing member economies. We applaud APEC’s efforts to strengthen regional economic integration, promote a sustainable business environment and to expand trade.”

Wine industry economist Jon Fredrikson noted that, “Over the past decade, there has been an enormous growth in wine exports from the Asian APEC economies. Eliminating burdensome and duplicative requirements will reduce the costs of cross-border wine trade, stimulate demand, and increase sales, particularly for small and midsize enterprises.”

APEC was established in 1989 in response to the growing interdependence of Asia-Pacific economies and the advent of regional economic blocs in other parts of the world. It fosters growth and prosperity by facilitating economic cooperation and
expanding trade and investment throughout the region. APEC’s member economies today account for 55% of global gross domestic product, 61% of all U.S. export goods and 44% of world trade, and comprise a market of 2.7 billion consumers.

The United States, the 2011 APEC host country, works through APEC to create jobs and growth by tackling a wide range of economic issues critical to long-term prosperity. Seven of the U.S.’s top 15 trade partners are APEC members. APEC Senior Officials Meetings are being held this year in San Francisco, Washington, D.C. and Big Sky, Montana. The APEC Economic Leaders’ Meeting, chaired by President Obama, will be held in Honolulu, Hawaii on November 12-13, 2011.

The seminar agenda, presentations and related documents may be viewed at www.wineinstitute.org.

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(Editors: Group photo available of attending officials including: Michael Moore, New Zealand Ambassador to the U.S.; Sirma Karapeeva, New Zealand Ministry of Economic Development; Julia Doherty, Senior Director at the U.S. Office of Trade Representative, APEC Sub-Committee on Standards and Conformance chair; Robert P. (Bobby) Koch, President and CEO of Wine Institute.)