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Overview of the International Framework of Organizations and Agreements

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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

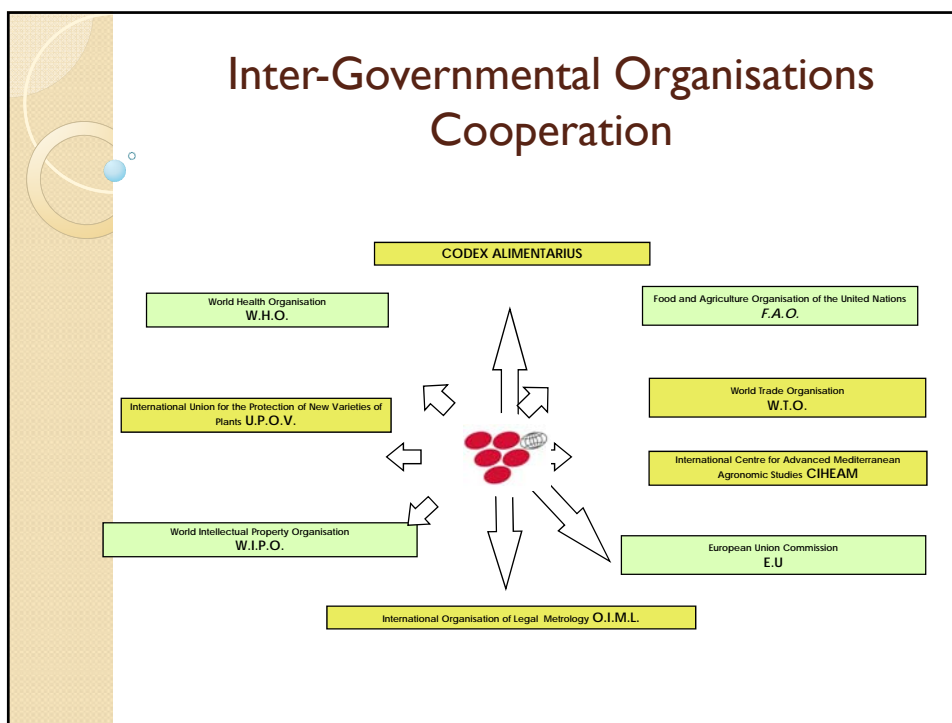
INTERNATIONAL ORGANISATION OF LEGAL METROLOGY

- 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.