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Best Practices in Wine Regulation

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Best Practices in Wine Regulation

Introduction to the World Wine Trade Group

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What is the World Wine Trade Group?

- The World Wine Trade Group (WWTG) was formed in early 1999, consisting of like-minded wine producing economies working together with a mutual interest in facilitating worldwide trade in wine. Present members include Argentina, Chile, 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 negotiators 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.
- **Strive** to have all wine producing and consuming economies accept that differences in wine-making practices should not be used as a barrier to trade.
- **Monitor**, 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 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 reaffirm the importance of health and safety protections related to wine but reduce unnecessary testing and labeling restrictions for the wine trade.
- Developed a cross-cutting 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)

Entered into force December 1, 2002

- The MAA marks the first plurilateral equivalence agreement, in any sector, fully compliant with the TBT Agreement section 2.7;
All signatory economies to the MAA accept the winemaking regulations/practices of the exporting signatory, thus eliminating the need for testing of imported wines.
- Consumer health and safety protections are outside of the Agreement. These are governed by each signatory's domestic regulations.
- To summarize the agreement in a single sentence: If a wine sold in the domestic market meets health and safety/good manufacturing requirements of that market, when exported, the importing authorities do not need additional detail and testing as to 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 oenological practices and the mechanisms to regulate them.

Multilateral Obligations

Nothing in the Agreement shall limit the rights or obligations of the Parties under the WTO Agreement.

Labeling

Regulations related to labeling shall be transparent, non-discriminatory and issued in accordance with the 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 oenological practices.



Notable Provisions cont.

Dispute Settlements

If a Party considers a measure by another Party to be inconsistent with this Agreement, the Complainant may request, in writing, consultations with the Respondent. The Parties to the dispute shall, within 20 days of receipt of the request, consult one another with a view to resolving the issue. If not resolved, the Committee of Experts from non-disputing members are available to resolve the dispute.

Transparency

The laws, regulations and requirements relating to oenological practices for each Party shall be incorporated in a Schedule.

Amendment

Any Party may propose amendments to the Agreement or Annex, the text shall be submitted to the depositary, which shall promptly communicate it to all Parties prior to consideration by the Council.

Withdrawal

A Party may withdraw from this Agreement by written notification to the depositary.



Agreement on the Requirements for Wine Labeling

Signed January 23, 2007 Canberra

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 exporter.

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 they are presented in a single field of vision:

country of origin, product name, net contents and alcohol content

Still allows for the importing authorities to require local mandatory information and in local language or multiple languages on the container.



WWTG Ongoing Work

MOU limiting certification requirements

Phase II Labeling Negotiations

Exploratory Work on Sustainability Labeling: Rely on notification and trust among members to verify particular sustainability standards are achieved.

WWTG Regulators Forum: Regulatory representatives from member economies meet concurrently with WWTG's biannual meetings to share updates and exchange views on developments in wine trade regulations.

APEC Subcommittee on Standards and Conformance (SCSC): WWTG remains an active participant where it has established a Wine Regulators Forum to address non-tariff barriers in the wine trade.