





FOR INDUSTRY, BY INDUSTRY

Who are we

Australian Grape & Wine is Australia's national association of winegrape and wine producers. Our activities focus upon the objective of providing leadership, strategy, advocacy and support that serves Australian wine businesses now and into the future. We represent the interests of the more than 2,500 winemakers and 6,000 winegrape growers working in Australia. Our role is to help forge a political, social and regulatory environment - in Australia and overseas - that enables profitable and sustainable Australian wine and winegrape growing businesses. These businesses make a significant contribution to underpinning regional economies by driving growth in jobs, regional exports and food and wine tourism. We represent small, medium and large winemakers and winegrape growers from across the country. Policy decisions by the Australian Grape & Wine Board require 80% support, ensuring no single category can dominate the decision-making process and guaranteeing policy is only determined if it provides significant industry benefit. In practice, most decisions are determined by consensus. Australian Grape & Wine is recognised as a representative organisation for winegrape and wine producers under the *Wine Australia Act 2013* and is incorporated under the *SA Associations Incorporation Act 1985*. We work in partnership with the Australian Government to develop and implement policy that is in the best interests of winegrape growers and winemakers across Australia.

Background

The *Comprehensive Economic Partnership Agreement between Australia and the United Arab Emirates* (CEPA) was referred to the Joint Standing Committee on Treaties on Monday, 18 November 2024.

The Treaties Committee is empowered by its resolution of appointment to inquire into and report on 'matters arising from treaties and related National Interest Analyses and proposed treaty actions and related Explanatory Statements presented or deemed to be presented to the Parliament'.

The Committee invites interested persons and organisations to make submissions by Friday, 17 January 2025.

Terms of Reference

The Committee's <u>resolution of appointment</u> empowers it to inquire into and report on:

- matters arising from treaties and related National Interest Analyses and proposed treaty actions and related Explanatory Statements presented or deemed to be presented to the Parliament;
- any question relating to a treaty or other international instrument, whether or not negotiated to completion, referred to the committee by:
 - o either House of Parliament; or
 - o a Minister; and
- such other matters as may be referred to the committee by the Minister of Foreign Affairs and on such conditions as the Minister may prescribe.



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Australian Wine and UAE

The Australian wine sector is highly reliant on exports, with around 60-65% of its wine being exported each year. As a result, the sector has had a key strategic priority in recent years to grow and diversify trade, particularly in new and emerging markets. The sector has consistently prioritised premiumisation and growing the value of the wines we offer.

The UAE is a promising emerging market that offers potential opportunities to address industry priorities, particularly with its growing demand for higher-priced wines. Historically, Australian wine exports to the UAE have represented a small proportion of our overall export volumes and values. Over the years, export values to the UAE have fluctuated between approximately \$10 million and \$30 million annually. The total volume for Australia wine exports to September 2024 was 3.2 million litres with a total value of \$17.3 million. Of this, just over one-third (\$6 million) was sold at a price point of \$10 or above, with an overall average value per litre of \$5.47.

Among all importing countries, Australia ranks as the second largest importer to the UAE by volume, with a total market share of 21.5% in 2023, according to IWRS data. This is particularly significant as the UAE does not produce its own wine, relying entirely on imports. Australia's strong market presence underscores its well established reputation for delivering quality wines at competitive prices.

These factors show the market's potential for future growth, further reinforced by closer trade relations facilitated by this agreement. The tariff reductions delivered by CEPA will further enhance market confidence, enabling the Australian wine sector to capitalise on opportunities, expand its presence, and drive sustained growth. We see particular opportunity in the UAE's burgeoning accommodation, tourism and hospitality sectors, with a growth in tourism and business engagements driving stronger demand for wine.

Conclusion

Australian Grape & Wine strongly supports the Australian Government's pursuit of meaningful free trade agreements that drive economic growth by delivering positive outcomes for agriculture and the Australian wine sector. This agreement with the UAE aligns with our sector's key priorities of diversification, growth and premiumsation, and we are therefore highly supportive of its progression.

We welcome the opportunity to support the advancement of the Comprehensive Economic Partnership Agreement (CEPA) between Australia and the United Arab Emirates. We advocate strongly for swift, bipartisan support to ensure the Agreement's timely progression and adoption through the Australian Parliament.



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Contact

For further information, please contact

Lee McLean

Chief Executive Officer

Level 1, The Realm, 18 National Circuit, Barton, ACT, 2600

Damien Griffante

Director, Strategy and International Affairs

National Wine Centre, Botanic Road, Adelaide, SA 5000