



**Australian Grape & Wine
submission to:**

**The General Review of the China-
Australia Free Trade Agreement
(ChAFTA) 2026.**

31 March 2026



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Who we are

Australian Grape and Wine Incorporated (Australian Grape & Wine) is Australia's national association of winegrape and wine producers. We represent the interests of the more than 2,000 winemakers and over 5,000 winegrape growers working across Australia's 65 wine regions.

The Australian grape and wine sector is a major contributor to Australia's economy and to rural and regional communities.

The grape and wine sector:

- Supports 203,392 direct and indirect full-and part-time jobs.
- Generates \$15 billion in income from direct and flow-on employment.
- Contributes \$51.3 billion to Australia's gross output.
- Adds \$25.4 billion in value-added to the Australian economy¹.

Wine production is a critical pillar of many regional communities, underpinning local manufacturing, exports, tourism, hospitality and supply-chain businesses.

Australian Grape & Wine works to create a political, social and regulatory environment - domestically and internationally - that enables profitable, innovative and sustainable grape and wine businesses. We provide leadership, strategy, advocacy and practical support across issues affecting growers and producers of all sizes. Our Board decision-making processes require an 80% support threshold, ensuring that industry positions reflect broad and genuine consensus.

Australian Grape & Wine is recognised as a representative organisation under the *Wine Australia Act 2013* and is incorporated under the *SA Associations Incorporation Act 1985*.

ChAFTA General Review Terms of Reference

The Department of Foreign Affairs and Trade (DFAT) is seeking views on the implementation, operation and impact of the China–Australia Free Trade Agreement (ChAFTA) since its entry into force, and areas for further improvement or expansion, including, but not limited to, consideration of deepening liberalisation and further expansion of market access.

Submissions may address:

- the benefits and potential gaps or challenges on the function of ChAFTA since its entry into force
- barriers to trade that could be addressed through enhancing or improving the existing Agreement
- opportunities to deepen market access and to enhance trade facilitation measures
- opportunities in specific industries, sectors, goods, services and investment in China
- any overlaps between ChAFTA and other bilateral and regional free trade agreements that Australia and China have joined since ChAFTA entered into force.

Submissions may also outline changes to export, import or investment conditions, and business environment case studies.

¹ AgEconPlus & Gillespie Economics, *Economic Contribution of the Australian Wine Sector 2025*, report prepared for Wine Australia, 7 August 2025, Executive Summary (unnumbered pages).

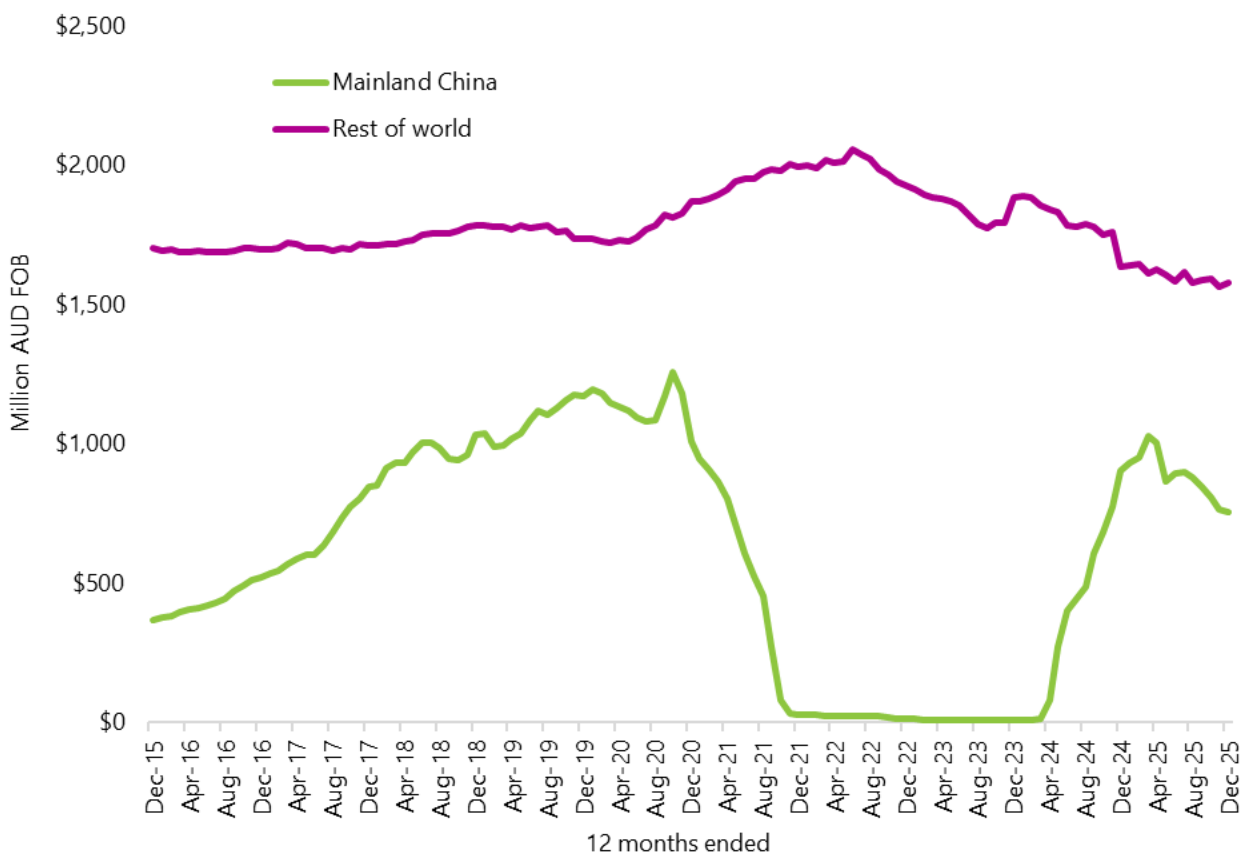
Australian wine and the China market

Australian wine is a premium, brand-led export that plays a broader role in Australia’s trade relationship with China, particularly in reinforcing consumer confidence and provenance, due to its strong reputation for producing a safe high-quality product. Australian wine businesses export around 65 per cent of total annual production. China has been Australia’s most significant export market for many years, growing from \$27 million in 2006 to \$1.2 billion in 2019. Following the market’s effective closure in 2021, exports have since returned to \$755 million for the year ending December 2025.

The strong performance of Australian wine in the China market from 2015 was supported in no small part by the entry into force of ChAFTA in December 2015 (see Figure 1). Over the following decade, the Australian wine sector experienced both strong growth and significant volatility.

ChAFTA’s tariff reductions, combined with the wine industry’s strategic and sustained market investment, helped establish Australian wine’s reputation with Chinese consumers as a provider of high-quality products. Demand increased substantially and steadily in both volume and value until 2021, when the market was effectively closed due to anti-dumping and countervailing duties imposed by China on Australian wine. Following the resumption of trade in 2024, the market again saw substantial growth.

Figure 1: Value of Australian wine exports, mainland China vs rest of world



Source: Wine Australia Export Report December 2025.

The implications of the market closure continue to affect the sector, which is currently experiencing oversupply. While the recovery since reopening has been strong, the headline figures are influenced by initial restocking activity. More recently, volume and value have declined, down 17% to December 2025. Existing stock levels in

market, growing domestic Chinese wine production, changing consumer preferences and consumption occasions, and the loss of brand presence all mean sustained investment is essential for renewed long-term growth.

The sector also remains focused on diversification to build resilience against global trade and economic shocks. Diversification within China (across regions, channels, product types and consumer segments) and adapting to changing market conditions will be critical to maintaining Australia's competitive position.

Market challenges and risks

While ChAFTA has provided a strong foundation for Australian wine exports, significant challenges remain. These include both non-technical and technical issues that affect the sector's long-term viability in the China market.

Non-technical

Global trade disruptions and economic and geopolitical instability continue to pose a major risk to Australian wine exporters. While Free Trade Agreements (FTAs) cannot directly resolve some of these challenges, they can support mechanisms that help maintain positive bilateral relations, promote technical cooperation, and mitigate disruptions.

Technical

China has historically maintained what Australian Grape & Wine considers a high level of technical barriers to trade compared to some other established markets. These significantly impact wine and include requirements related to:

- labelling
- wine composition
- customs processes and clearance
- pre-registration and certificates
- interpretation of standards

Wine is a complex product that differs from other food categories, and regulatory interpretation can vary markedly between national and local authorities. Even when regulations are understood, inconsistent enforcement creates uncertainty and imposes significant costs.

These technical issues constitute the most persistent challenges for Australian wine in China and are not currently addressed within ChAFTA. Modernisation of the Agreement presents a significant opportunity to reduce these barriers.

Market opportunities and FTA mechanisms

Non-technical

As noted above, opportunities to strengthen bilateral goodwill and advance cooperation are essential. While FTAs may not directly implement such initiatives, they can provide frameworks or complementary mechanisms to support, such as:

- **Memorandums of Understanding (MOUs) or side agreements:** Industry and government MOUs have previously delivered meaningful benefits within the China market. Australian Grape & Wine holds an industry MOU with its Chinese counterparts, and Wine Australia, via the Department of Agriculture, Fisheries and Forestry (DAFF), is finalising a new cooperation MOU with Chinese Ministry of Industry and Information Technology (MIIT). Formal recognition or support for such cooperation under ChAFTA would be valuable.
- **Forums for cooperation and joint dialogue:** China is the newest member of the [International Organisation of Vine and Wine](#) (OIV; an intergovernmental, scientific, and technical organisation for the vine and wine industry). The OIV presents an important forum for ongoing dialogue between governments supported by industry experts. Utilising these forums to build relationships for open and clear dialogue on wine technical issues is critical. Models such as the Joint Dialogue incorporated in the [Side Letter on Trade and Production of Wine](#) established under the Australia–India Economic Cooperation and Trade Agreement (AI-ECTA) could be considered. Formalised dialogue mechanisms for clarifying World Trade Organization (WTO) TBT and SPS notifications that impact Australian wine production facility registrations, clearance, compositional requirements labelling items etc would be welcomed. Further work should be considered to establish or enhance the existing forums for dialogue within ChAFTA to support wine specific trade issues.
- **The Australia-China Winemaker Immersion Program:** The [Australia-China Winemaker Immersion Program](#) was established and led by Treasury Wine Estates in partnership with Australian Grape & Wine and our industry counterparts the Chinese Alcoholic Drinks Association (CADA). This reciprocal early-career exchange promotes technical cooperation and long-term bilateral goodwill. Formal government support or a mechanism to support similar initiatives could expand the reach and impact of such programs.

Any formalisations or commitment to supporting forums, agreements or initiatives that can be driven through modernisation of our FTA would provide significant value for the ongoing stability and sustainability of the China market.

Technical

As noted, there are several ongoing technical barriers to trade or issue which arise for which there are possible mechanism to help resolve within a modernised ChAFTA. These include:

- **Wine sector specific annex on technical barriers to trade** – Since ChAFTA’s implementation, wine sector specific annexes have been implemented in several of our more modern FTAs (e.g. CPTPP ([Annex 8-A](#)), Singapore (([Annex 5-C](#)) and Peru ([Annex 7-A](#))). These help to clarify the rules of trade and could be incredibly useful to implement with China on wine, for mutual benefit. These could clarify compositional, labelling or other technical rules and help to harmonise regulation. A wine sector specific annex adapted from the previous models to address our key China challenges could be of substantial future benefit.
- **Opportunities for digital certification** – Noting there are potential sensitivities with digital exchange, China has previously expressed interest in the linking of systems to streamline certification processes. Opportunities exist to reduce physical paperwork and streamline processes associated with certificates and data exchange. These opportunities are being explored with several other countries in consultation with Wine Australia and our government agencies. Efficiencies may be improved with end-to-end electronic certification. Industry is also interested in exploring opportunities for use of Declarations of Origin (DOOs), which are already permitted under ChAFTA, to replace Certificates of Origin (COOs) in certain circumstances. DOOs do not need to be approved by an authorised body and might present a less

onerous verification than COOs if certain criteria were met. A number of these opportunities could be further explored and or formalised through ChAFTA. Streamlining customs and certification processes, particularly through digitalisation represents a priority area for modernisation, given the tangible efficiency gains and opportunities to support consistency of implementation across ports of entry.

- **Clarified Rules of Origin** – Australia exports significant volumes of wine in bulk, to be bottled in-market or in third countries before arriving in its final destination. Rules of Origin (ROOs) that clearly allow for bottling and packaging in third countries as well as the ability to on-process wine without substantially altering the product are critical. As wine is a unique product the interpretation and application of terms used in relation to ROOs such as Wholly Originating (WO) may not be the most appropriate as they relate to wine and wine products. For China, these remain ongoing grey areas and an issue which could be rectified by a simplification / clarification on WO, de minimis and Product Specific Rules (PSR) requirements.
- **Geographic Indication (GI) protection** – Australian wine GIs, and soon to be broader food GIs, face significant ongoing risk of trademark piracy in China. China protects GIs through their trademark system and operate on a “first to file” basis, meaning rights are granted to the first person to register a trademark. As a result, Australian GIs can be registered and protected by trademark pirates in China. The industry, guided by Wine Australia, has invested significant resources in a trademark watch program and in pursuing invalidation actions when trademark applications infringe on our wine GIs. A low-cost, durable solution would be to include mutual GI protection in a modernised free trade agreement, as Australia has done in the Australia–EU FTA. China has adopted a similar approach with the EU under their [100 for 100 GI protection Agreement](#). Establishing mutually agreed lists of protected GIs under ChAFTA would require minimal effort for Australia to establish and enforce and would provide a formal mechanism to prevent future trademark pirates from registering Australian GIs in China.

Conclusion

Australian Grape & Wine and the broader sector strongly support the Australian Government’s ongoing efforts to promote positive and sustainable trade with China. ChAFTA has been a critical foundation for the sector’s long-term success. There are clear opportunities—both within the FTA and through complementary initiatives—to strengthen and modernise the agreement to support future growth.

Australian Grape & Wine remains available to work with the Government throughout the ChAFTA General Review process and on broader opportunities to grow and diversify the China market.

We welcome the opportunity to contribute to this review and are available to provide further information as required.

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