



**Modernising Australia's FTAs with
Southeast Asia**

February 2026

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Terms of reference

Matters to be considered by the review: The Department of Foreign Affairs and Trade (DFAT), working with the Trade 2040 Taskforce, and in collaboration with Southeast Asian partners and relevant stakeholders, including First Nations people, will review Australia's Free Trade Agreements (FTAs) with Southeast Asia to determine priorities for potential agreement upgrade negotiations. In addressing these matters, the Review will consider:

- whether the rules and commitments contained in our Southeast Asian FTAs remain relevant and fit-for-purpose to assist in addressing the economic challenges confronting Australia and the region
- options for improving trade and investment including, but not limited to, modernising existing FTAs, supporting accessions to regional FTAs or entering into new agreements
- identify gaps and overlaps between Australia's bilateral and regional FTAs with Southeast Asian economies, and options to resolve
- market access commitments, to ensure they remain comprehensive and commercially meaningful
- new and upgraded FTAs concluded by Australia or Southeast Asia with other economies
- recommendations by the Joint Standing Committee on Trade and Investment Growth inquiry into the understanding and utilisation of benefits under Free Trade Agreements
- putting in place trade data exchange arrangements with regional trading partners to better inform utilisation of trade agreements
- relevant developments in trade and investment policy in international fora, including but not limited to the World Trade Organization, and whether our FTAs have kept pace with relevant international developments
- opportunities for alignment and complementarity with Invested: Australia's Southeast Asia Economic Strategy
- other matters relevant to Australia's FTAs.

Findings from the Review will be documented in a report with recommendations for prioritisation of new agreements and agreement upgrade and modernisation negotiations.

About Australian Grape & Wine

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*.

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 sector strategic priority alignment

The Australian wine sector’s priorities align closely with the federal government’s priorities for Southeast Asia (SEA). Our [One Grape & Wine Sector Plan](#) and long-term [Vision 2050](#) strategy identify export market growth and diversification as core pillars of the sector’s resilience and future success. Although the sector is mature, diversification has long been a priority, with around 60 per cent of Australia’s wine production exported to more than 100 global markets. Challenging market conditions since 2020, including the closure of the \$1.2 billion China market, ongoing economic pressures, geopolitical and trade instability and resulting global oversupply, have further reinforced the sector’s need to continue to expand and diversify its export market portfolio.

A key focus of the sector’s diversification strategy is growing Asian markets, particularly SEA. This reflects existing growth in Australian wine exports, strong future potential, Australia’s geographic proximity to the region, the projected economic growth of the region, a growing middle class and established political and economic relationships.

The strategic priorities and recommendations of [Invested: Australia's Southeast Asia Economic Strategy to 2040](#) (the SEA Strategy) are therefore well aligned with the Australian wine sector’s market diversification and growth strategy and the activities that have been implemented since 2021.

Australian wine and SEA markets

While global wine consumption is in a period of decline, regions such as SEA offer opportunities for growth. Over the past decade, despite some annual volatility, Australian wine exports to SEA have increased. Export value grew by an average of 6 per cent per annum, reaching a total value of \$270 million to the end of December 2025. By comparison, over the same period, exports to the rest of the world increased by 2 per cent per annum in value while volumes declined by 2 per cent per annum. As a result, SEA’s share of Australian wine exports increased from 7 per cent to 10 per cent by value and doubled by volume from 2 per cent to 4 per cent over the past decade.

While individual SEA markets fluctuate year on year, the table below shows the value of each market to December 2025 for comparative purposes.

Export market	Total value December 2025 (\$)	Total value December 2024 (\$)	Year-on-year change
Singapore	\$118,332,357	\$100,234,366	18.1%
Thailand	\$62,950,121	\$45,278,661	39.0%
Malaysia	\$51,616,026	\$35,965,089	43.5%
Indonesia	\$12,546,105	\$6,526,186	92.2%
Philippines	\$11,616,247	\$13,789,297	-15.8%
Vietnam	\$7,748,545	\$6,570,982	17.9%
Myanmar	\$2,979,464	\$21,547	13728.1%
Cambodia	\$1,815,997	\$1,068,771	69.9%
Timor-Leste	\$243,974	\$258,448	-5.6%
Laos	\$118,514	\$273,157	-56.6%

(Source: Wine Australia Export Dashboard)

Of these markets, Singapore, Thailand, Vietnam, Malaysia, the Philippines and Indonesia have particularly strong potential for continued growth of Australian wine exports. In many cases, the value of these markets is linked to tourism. The perception of Australian wine is also high as Australia holds a significant share of the total imported wine market in some countries.

SEA market challenges

Import duties and taxation

Except for Indonesia, import duties for wine are already being reduced under various schedules of the existing FTAs in most SEA markets. There is overlap with some of the schedules in multilateral agreements (such as RCEP and CPTPP) with the bilateral FTAs, which can improve upon the tariff reduction achieved. Further effort to reduce and improve on these remains important for our competitiveness in SEA markets.

Beyond tariff reduction, the main challenge relates to the applicability and accessibility of improved schedules, particularly issues arising from Rules of Origin (ROO) and Country of Origin (COO) provisions. In several markets, Australian wine is sent in bulk and bottled in a third country before being re-exported for sale. Although the product itself undergoes minimal change, COO or ROO provisions can affect tariff eligibility depending on the applicable FTA. Further harmonisation and liberalisation of these rules across the SEA FTAs, including provisions that allow for bottling or packaging without altering the state of the product and its tariff eligibility, would be beneficial.

While domestic taxation arrangements aren't typically addressed in FTAs, they do impose a significant cost for imported wine in SEA markets. In general, taxation on imported wine is high and often disproportionately applied to imports, or to wine, compared to other alcoholic beverage categories. This often seems to reflect the interests of domestic industry in certain markets. These taxes come in several forms such as value added taxes or consumption taxes and can often be compounded, inflating the overall price of wine such that it becomes less affordable to domestic consumers. Under current global economic conditions, this can support illicit alcohol trade that can be produced and sold at a much lower price as it avoids taxation (and regulation) altogether. Shifting consumers towards unregulated alcohol creates a major health and safety risk and has been shown to be a problem in several SEA markets in the past.

Some markets, including Thailand, have recently liberalised their taxation of alcohol to support efforts to drive tourism. However, these changes have mainly advantaged our competitors by eroding the tariff reductions Australian wine receives under AANZFTA and TAFTA. Others, such as Vietnam, have increased alcohol taxation under Special Consumption Tax (SCT) changes which were justified as a mechanism to address alcohol related health concerns. The significance of the phased SCT increase in Vietnam, which commenced from 1 January 2026, are outlined in the table below.

- Changes from 1 Jan 2026:

Wine ABV	2026 Rate	Increases to (by 2031)
<20%	35%	60%
≥20%	65%	90%

Technical barriers to trade

Food vs wine regulation

Many emerging export markets are not traditional wine producing countries with wine/alcohol-specific legislation. Therefore, wine standards (e.g. approved additives, processing aids, oenological practices etc.) and

labelling requirements (e.g. ingredient lists, allergen statements, energy values etc.) often fall within the scope of food law. Previously, alcohol products have been exempted from many mandatory food law requirements (e.g. nutritional declarations and expiry dates). However, wine has increasingly become subject to more general food law requirements. This means that changes to interpretation and/or administration of food law, including the adoption of Codex standards, may have significant repercussions for the wine industry.

There is a market access risk that overseas governments may enforce or amend existing food laws to include wine. For example, in late-2023, the Ministry of Food and Drug Safety (MFDS) of the Republic of Korea imposed an existing food law requirement that all added sugars be declared on labels and import documentation. The implications were that all sparkling wine products with added tirage or dosage must include added sugar in the list of ingredients. Furthermore, MFDS clarified that "if a sparkling wine does not include sugar in the ingredients list, the importer would need to provide evidence [i.e. have it tested] to demonstrate no amount of sugar remains" requiring additional, costly chemical analysis.

Furthermore, developing markets such as Malaysia, the Philippines and India do not require a list of ingredients for "single ingredient foods". Ambiguity often exists as to whether "wine" is a "single ingredient food" for these purposes. Moreover, the definition or interpretation of "single ingredient food" varies between international jurisdictions. Often, compliance is difficult because relevant legislation does not prescribe the ingredient list format for grape and wine products, and in-market evidence in certain emerging markets suggests that compliance is not a market reality.

Common wine technical barriers to trade

Technical and regulatory barriers to trade remain some of the biggest challenges for wine exports. They increase cost, reducing a market's viability and limit the ability of Australian wine producers to capitalise and grow new markets. Some examples of recent technical and regulatory barriers in SEA markets include:

- **Health warnings:** Thailand recently proposed Graphic Health Warnings including several impractical requirements around placement and cycling of label warning messages every 1000 containers. These measures alone, if implemented, would have substantially reduced the viability of the market.
- **Nutrition and ingredient labelling:** Alcohol, including wine, has typically been exempt from nutrition and ingredient labelling requirements. However, these requirements are increasingly being considered in regulatory frameworks globally. This is a complex issue but one that will require significant effort to ensure harmonisation and minimise trade barriers. Malaysia has recently been considering ingredient labelling change that may apply to wine.
- **Geographical Indications (GIs) used as a trade advantage:** Several SEA countries undergoing free trade negotiations with the European Union are implementing, or have already implemented, GI provisions. For many countries, GIs are a foreign concept that don't appear to impact the local market and therefore can be agreed to with minimal conflict in the local political context. However, they do become a major trade barrier for other wine products. The grape variety, Prosecco, is an example of where a spurious GI claim has caused issues. There have been ongoing disputes or confirmed restrictions imposed across Singapore, Malaysia, the Philippines, Indonesia and Vietnam.
- **Testing and certification:** Overly onerous Certificates of Analysis and testing requirements are sometimes required in SEA counties that lack knowledge about the safety aspects of wine. Specifically, metals and methanol are common requests. Additional testing is also sometimes requested by retailers including maximum residue limits (MRLs) and contact materials. This testing is costly for wine businesses and reduces the overall viability of the market.

Opportunities for FTA modernisation

Meaningful Free Trade Agreements

Australia has a comprehensive suite of established FTAs with SEA nations. As noted above, many of these have reduced wine tariffs or are in the process of doing so. Few, however, address non-tariff measures. We would support further consideration of amendments to existing FTAs or new FTAs that address technical barriers to trade. This could be achieved through sector specific annexes (e.g. the [CPTPP Annex 8-A: Wine and Distilled Spirits](#)), regulatory cooperation agreements and mutual acceptance agreements (e.g. the [World Wine Trade Group Agreement on Mutual Acceptance of Oenological Practices](#)). Above all, any updated FTA arrangements need to adopt meaningful outcomes for wine. Further reductions in tariffs, as well as non-tariff outcomes for wine, should be sought as a priority in all future SEA FTA discussions. This aligns with Recommendation 10 of the SEA strategy to review the scope of existing FTAs with SEA partners to incorporate further meaningful arrangements.

Regulatory cooperation, technical and scientific exchange

Wine is a complex product to produce but due to its acidity and alcohol content, it is considered a [low-risk product](#) from a food safety perspective. In regions like SEA that lack domestic wine industries, there is often a propensity to apply broader food regulation to wine that. These regulations are not always fit for purpose and can create trade barriers stemming from issues including testing, certification, allowable additives, labelling as well as restrictions of sale or consumption and more.

Australian Grape & Wine therefore strongly advocates for the Australian Government to support greater regulatory cooperation and harmonisation of SEA wine standards with Australia's. This industry priority aligns well with Recommendation 11 of the SEA strategy to "expand collaboration on trade rules and standards harmonisation with Southeast Asian partners". This offers the greatest opportunity to support wine businesses to realise the potential of these markets.

A core opportunity to strengthen partnerships and capabilities is through regulatory cooperation and technical and scientific exchange. Australia has world leading scientific, technical and regulatory systems for wine, and we have used opportunities to showcase and collaborate in these areas to great effect in recent years.

For example, in China we engaged in regulatory cooperation and technical and scientific exchange in oenology and viticulture, helping to improve regulatory settings, build capacity within China and spur growth opportunities in the market. This included ongoing technical and scientific exchange and a formalised government to government regulatory cooperation agreement beyond the existing trade agreement. These efforts supported a greater understanding of wine through the industry and regulators as well as growth of the domestic sector, in turn fostering a greater appreciation of wine by consumers in the market.

The Australian wine sector is now implementing similar efforts in India coupled with government trade negotiations as part of our long-term India strategy. Similar efforts could be implemented in SEA markets to enhance partnerships and capabilities in wine to grow the local wine market.

Furthermore, leveraging existing regional economic and diplomatic architecture can drive benefits. Australian Grape & Wine (and its predecessor organisation, the Winemakers' Federation of Australia) were instrumental in developing the APEC Wine Regulators Forum, which provided a forum for information sharing and led directly to the development of the APEC Model Wine Certificate. This certificate has been adopted by several APEC economies including Thailand ([Ministers Joint Media Release](#)), which previously had overly onerous analysis requirements.

Australian Grape & Wine would welcome the opportunity to further explore opportunities for enhanced regulatory cooperation and technical and scientific exchange on wine with the government through our FTAs in SEA markets. One possible model for facilitating such exchanges is the Joint Dialogue on Trade and Production of Wine established under the [Side Letter](#) of the Australia-India Economic Cooperation Trade Agreement (AI-ECTA).

Regulatory cooperation agreements

Another mechanism that has been used by the wine sector in collaboration with our government regulators is holding regulatory forums. The [APEC Wine Regulators Forum](#) (WRF) has a proven track record of achieving regulatory outcomes for the benefit the wine sector, including SEA markets. Funding support for APEC WRF has not been provided for some time, so industry has taken it upon themselves to seek other sources of government support to continue to deliver such forums. Following the conclusion of our previous ATMAC project in 2025, Australian Grape & Wine had concluded two wine regulatory forums - one in India and one in Adelaide alongside the World Wine Trade Group meetings (November 2024) with a broad range of regulatory and industry participants. However, as these forums are specific to wine it is challenging to get attendance from governments who don't have their own wine industries, such as those in SEA. Broader multilateral forums that do concern SEA countries are therefore useful mechanism for delivery. APEC was such a forum, however perhaps our FTAs including our multilateral FTAs with SEA nations would provide an ideal replacement for the valuable technical and regulatory work of the now inactive APEC WRF. With Government support, these could provide significant benefit to the Australian wine sector.

Product or innovation opportunities

There are several emerging opportunities for innovation in wine which could support growth in SEA markets. As noted elsewhere, consumer insights, market intelligence and interpretation of data is a key aspect of understanding the value of such opportunities for industry to capitalise on them.

Examples of opportunities for wine include:

- **No alcohol or "mid-strength" (No and Low) wine:** No and Low wine is a category in its infancy globally but has strong future potential and is already a growing trend in several markets. It is often perceived as a lighter or healthier alternative to full-strength alcoholic beverages and may be able to capitalise on health and wellbeing trends if they are present in SEA markets.
- **Innovative or novel packaging:** Australia has excelled in the past with innovations that can address consumer storage, quality, safety and environmental preferences. For example, our Japanese consumer research with ATMAC identified that due to higher density living in Japan, consumers prefer smaller format packaging such as cans compared to 750ml wine bottles due to storage capacity. Similar insights could be realised for SEA markets.
- **Sustainability:** Consumers globally are becoming more aware of the sustainability credentials of the products they purchase. Australian wine has invested significantly over the past 20 years in applying sustainability principles across the sector. However, we have not been as effective at relaying this as part of the Australian wine story. By contrast, countries such as New Zealand are well known for this and are capitalising on this opportunity in numerous export markets. A major opportunity remains to promote Australian wine's sustainability credentials in these emerging SEA markets. We are increasingly seeing sustainability policy resulting in additional cost and barriers to trade in global markets. In SEA, regulations similar to [Vietnam's Extended Producer Responsibility requirements](#) are beginning to emerge.

As these topics are emerging areas of interest, many of our existing FTAs do not currently address them. Future FTAs or modernised existing FTAs should contemplate innovative products, packaging or concepts. In particular, any mechanisms that supports the harmonisation of regulatory provisions for No and Low wines would provide



FOR INDUSTRY, BY INDUSTRY

significant advantages to Australian wine in a globally emerging product category.

Multilateral forums and collaboration

Australian Grape & Wine is a strong advocate for the rules-based trading system and is actively involved in a range of multilateral forums on wine specific issues and other trade forums. We are highly supportive of Recommendation 11 of the SEA strategy to “expand collaboration on trade rules and standards harmonisation with Southeast Asian partners.” Collaboration in multilateral forums is a key mechanism which can be utilised to support the wine sector to realise opportunities in SEA. We support greater collaboration and cooperation in WTO and Codex between Australia and SEA countries. Codex standards are often adopted by SEA nations so engagement and collaboration on Codex remains vital. Furthermore, we would support Australia encouraging the participation of SEA governments in wine-related multilateral forums such as WWTG and the OIV.

Simplified or reduced customs clearance

Agreements on simplified or lighter-touch customs arrangements are another mechanism that could be pursued through greater cooperation and partnership arrangements with SEA countries. This could include “trusted trader” type arrangements or other efforts to resolve long standing issues such simplified arrangements for samples that could have significant benefit.

Future arrangements could consider e-certification between Australia and SEA nations. This emerging opportunity to modernise processes could be adopted across the SEA region to support simplified or lighter-touch customs clearance and procedures.

GI protection provisions

An area often not contemplated in Australia’s FTAs, outside those negotiated with the EU and the UK, is the protection of Australian GIs. The Australian wine industry has had GI provisions in place for many years, with 65 national wine GIs and an established system for their protection and maintenance in Australia. However, they can be subjected to piracy and illegitimate use if provisions are not in place for their protection in destination markets.

Including provisions for the protection of Australia’s GIs in our FTAs with SEA and other partners would be a valuable and timely reform, particularly given the broader prospects of GI provisions currently being considered across agriculture. Possible mechanisms include reciprocal protection agreement, such as those sought in EU negotiations, or side agreements such as the EU-China “[100 for 100 GI Agreement](#)”.

People movement

Workforce shortages could be further supported through liberalisation of people movement between Australia and SEA nations. SEA migrant workers play an important role in the wine sector during peak periods. There are currently several skilled and unskilled workforce shortages that impact business and could be supported through greater movement of people from SEA. The sector’s priorities align with the Recommendation 12 of the SEA Strategy - “Australian Government to implement the Migration Strategy and associated reforms to improve the visa system to facilitate mobility.”

ROO and COO

As noted above, a large portion of Australian wine is sent in bulk requiring bottling or packaging before sale to a third market. Any mechanisms harmonise the ROO and COO across SEA FTAs, including provisions that allow for bottling or packaging without altering the state of the product and its tariff eligibility, would be beneficial.

Contact

For further information, please contact:

Lee McLean

Chief Executive Officer

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

Tel +61 418 998 749

Email lee@agw.org.au

Damien Griffante

Director, Strategy and International Affairs

National Wine Centre, Botanic Road,
Adelaide, SA 5000

Tel: +61 423 094 943

Email: damien@agw.org.au