



**Asia-Pacific
Economic Cooperation**

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Agenda Item: 7

APEC Wine Regulatory Forum Export Certification 2018 Goal Paper

Purpose: Consideration
Submitted by: United States



**Second Sub-Committee on Standards and
Conformance Meeting
Beijing, China
11-12 August 2014**

Realizing the Benefits of Regulatory Cooperation for Wine Trade in APEC Wine Regulatory Forum (WRF)

Deliverables for the APEC Ministers Meeting

APEC economies, through the WRF, have acknowledged that wine is a low risk food product and that testing requirements should be risk-based, fit for purpose, and kept to a minimum so as to facilitate trade in the Asia-Pacific. The WRF seeks to eliminate non-science based testing and certification requirements for wine trade in the region in an effort to increase wine production, to expand trade, and to create jobs in the region.

To this end, APEC Ministers in November in Beijing should agree to eliminate unnecessary export certification for wine by 2018 through instructing officials to take the following actions:

- Participate to the fullest extent possible in the WRF and its working groups;
- Draft in 2015 a model APEC wine export certificate; and
- Undertake a WRF capacity building program, starting in 2015, to help economies develop a robust regulatory basis for wine. Capacity building will focus on electronic certification and self-certification of export certificates with an eventual goal of mutual acceptance of winemaking practices and joining multilateral wine regulatory groups such as the World Wine Trade Group.

This commitment by Ministers and these actions will significantly promote wine trade in the region in a practical and meaningful way for wine producers, traders, and consumers.

Benefits of a Reduction in Export Certification Documentation

A reduction and/or consolidation of paper export documentation requirements for wine will allow participating economies to shift scarce resources to higher-risk food products. Wine exporters will benefit from a reduction in compliance costs.

As outlined in the *APEC Compendium of Certification Requirements for Imported Wine in APEC Economies (2011/SOM3/SCSC/ SEM/27)* there are at least five different types of certification requirements currently used in APEC. The use of multiple export certificates increases costs and produces unnecessary barriers to trade in wine. Furthermore, the requirements are diverse and difficult to understand due to a lack of common definitions. Illustrating the volume of certificates issued annually, the U.S. Alcohol and Tobacco Tax and Trade Bureau (TTB) notes that it issued 8,398 certificates in 2013, 73 percent of which were issued to APEC economies. In calendar year 2013, Wine Australia issued 6,336 export certificates, 98 percent of which went to APEC economies.

Market Impact of a Reduction in Export Certification Documentation

APEC-region wine trade has grown dramatically in importance for developing and exporting economies. Wine consumption in the 21 APEC economies has more than doubled from 1990 to 2012 and wine production has flourished in many of those economies, as well. The value of APEC wine trade more than tripled, increasing from US\$7 billion in 2000 to US\$23 billion in 2012. APEC made up 27% of the US\$84 billion total value of global wine trade last year. In 2013, all but four APEC economies exported wine.

However, there are a growing number of unnecessary non-tariff barriers estimated to cost businesses (primarily small and medium-sized enterprises [SMEs]) approximately US\$1 billion a year. A significant portion of these costs is attributed to unnecessary non-science based testing and the requirement of multiple and duplicative paper export certificates.

WRF Progress on Export Certificates

The WRF was established in Peru in 2008. In 2011, APEC Ministers endorsed the goal of reducing unnecessary testing and streamlining paperwork associated with official certificate requirements related to wine trade and instructed officials to make further progress to reduce unnecessary technical barriers to trade in wine.

In 2011, the first Compendia of Export Certifications was developed, illustrating the need for the consolidation and elimination of existing certifications. The Compendia will be published on the APEC WRF website prior to the next WRF meeting in September 2014. In 2012, Chile announced it had developed a system for accepting export certificates electronically. In 2013, the United States and China agreed on a consolidated export certificate that is, in part, an outgrowth of WRF discussions.

How APEC Ministers Can Help

Fourteen of the 21 economies participated in the workshop series but only ten (Australia, Canada, Chile, Chinese Taipei, Japan, Mexico, New Zealand, Russia, Viet Nam, and the United States) have engaged in the four working groups on export certificate reduction, wine regulations compendia, laboratory capacity and risk controls, and pesticide maximum residue limits. Participation from key economies is missing and many economies do not send participants who possess the authority to execute regulatory changes endorsed in the Forum. A call by APEC Ministers to execute the actions outlined above and the goals of the WRF is essential for its success and to spur more robust and lasting participation by APEC wine regulators.

2014 Activity and Timeline

The next meeting of the WRF is scheduled to take place September 11-12, 2014, in Beijing, China in conjunction with the Food Safety Cooperation Forum.

- SCSC 2/CTI 3/SOM 3 – Review proposal
- FSCF – Review proposal
- Food Safety Ministerial – Endorse proposal
- CSOM/AMM – Endorse proposal