

India, Australia winemakers step up alliance ahead of FTA

As part of the interim agreement, Australia will allow duty-free wine imports from India

Dilasha Seth

dilasha.seth@livemint.com

BENGALURU

Indian winemakers have accelerated partnerships with Australian wineries in areas such as disease management, planting imported grape vines and ensuring smoother customs clearances at Indian ports.

Though the interim free trade agreement signed in April is yet to be ratified; at a virtual meeting last month, industry representatives from both countries agreed to help lower the cost of growing grapes in India, especially for farmers with small land holdings. Indian winemakers will also be visiting Australia on Sunday to further engage with industry executives.

As part of the interim FTA, Australia will allow duty-free wine imports from India. In return, New Delhi will reduce tariffs for Australian wines with a minimum import price of \$5 per bottle from 150% to 100%, and gradually to 50% in 10 years. Duty on bottles with a price of \$15 or more will be reduced from 150% to 75%, and to 25% over 10 years.

In 2019, Australia was the sixth largest wine producer and fourth largest wine exporter after France, Italy and Spain. Indian wine exports in FY20 totalled \$7.2 million and imports were at \$19.55 million. India is also working with Australia to produce wines from fruits like mango and cider.

Indian wineries are also working on adopting global best practices in spraying programmes and disease management to grow grapes. The two sides are looking at collaboration in establishing a research and training institute in India. Australia will offer expertise from The Australian Wine Research Institute, which is known for fermented products, spirits, genetic and molecular biology.

The virtual meeting was attended by representatives of the Australian High



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Commission, Australian Grape and Wine, and Wine Australia, Sula Vineyards, Fratelli Wines, Grover Zampa Vineyards, Good Drop Wines, and the Confederation of Indian Alcoholic Beverage Companies (CIABC).

“Though the FTA is yet to roll out, we are glad to push forward the spirit of engagement between the industries of

ment (ECTA) on 2 April. New Delhi will get duty-free access on 95% of exports to Canberra. India has offered immediate duty-free access to 40% of products comprising 85% of Australia’s exports by value to India, and another 30.3% of tariff lines will see reduction of tariffs over three, five, seven and 10 years.

According to Arpita Mukherjee, pro-

and Trade Agreement does not cover bulk wine imports, which may lead to an inverted duty structure for the industry in India, by making finished items cheaper than those getting bottled in India.

“Reduction in the threshold along with zero duty on bulk imports in the forthcoming India-Australia comprehensive agreement in December will enhance B2B collaboration, investment inflow and manufacturing in India,” Mukherjee said. Among alcoholic beverages, tariffs are the highest for wine, with the price of imported products ranging 200-400% of the global average price. “We are looking forward to

hosting representatives from the Indian wine industry in Australia and build cooperation and expanding relations between our countries that will expand on the FTA outcomes,” said Tony Battaglione, chief executive, Australian Grape and Wine.

BILATERAL TIES

NEW DELHI will reduce tariffs for Australian wines with a minimum import price of \$5 per bottle

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Australia and India as envisaged by the FTA signed between the two nations, and the side letters exchanged between the ministers spearheading it,” said Vinod Giri, director general, CIABC.

India and Australia signed the Economic Cooperation and Trade Agree-

fessor, Indian Council for Research on International Economic Relations, covering bulk wine imports under the free trade agreement will further boost business-to-business (B2B) collaboration between the two sides.

The interim Economic Cooperation