

MEDIA RELEASE

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FOR IMMEDIATE RELEASE

Minister Senzeni Zokwana (MP), signs the Protocol to the 2007 World Wine Trade Group Agreement in Washington, DC

The Minister of Agriculture, Forestry and Fisheries, Mr Senzeni Zokwana signed the Protocol to the 2007 World Wine Trade Agreement on the Requirements for Wine Labelling concerning Alcohol Tolerance, Vintage, Variety and Wine Regions (Protocol on Labelling) in Washington DC, United States of America. The Protocol on Labelling was signed on 18 October 2018 and will be submitted through the South African parliamentary processes for ratification before implementation.

Being the third agreement of the World Wine Trade Group that South Africa has signed, the other two agreements are the Mutual Acceptance Agreement of Oenological Practices and the Agreement for Requirements on Wine Labelling. The latter two agreements were ratified by Parliament and have been implemented in South Africa since 2011. The Protocol on Labelling strengthens the mentioned agreements, improves regulatory certainty and further eases the trade of wine between signatories.

The World Wine Trade Group (WWTG) is an informal group of wine producing countries. The participants of the group are Argentina, Australia, Canada, Chile, New Zealand, South Africa and the United States. Uruguay recently joined the group and is in process of acceding to the agreements of the group.

The WWTG was formed in 1998 with the objective of facilitating international trade in wine through information sharing, discussion of regulatory issues in wine markets, and joint actions for the removal of trade barriers. The group is guided by principles that facilitate trade in wine and protect consumers—benefiting both wine exporting and importing countries. The WWTG recognises the unique characteristics of each regulatory system and works towards the mutual acceptance of practices and labelling rather than imposing a single regulatory approach.

The expectation is that the Protocol on Labelling, together with the two mentioned agreements, will further contribute towards increased trade in wine between participants of the world wine trade. The protocol further defines aspects relating to alcohol tolerance, vintage, variety and wine regions. For the wine trade, an improved and harmonised definition of these terms will contribute towards the removal of technical barriers to trade and facilitate fair competition between signatories.

Wine is South Africa's second largest agricultural export product contributing between eight and 10% to total agricultural exports. Due to its close linkages to other sectors in the economy, especially to the labour-intensive tourism sector, the wine sector makes a large contribution to the economy in certain rural areas in the country.

South Africa, due to its history, is very reliant on wine exports. The USA and Canada as members of the WWTG are the key markets for South African exporters and Minister Zokwana is optimistic that this protocol will contribute towards further growth of these strategic markets for the South African wine industry as currently, approximately 10% of South African wine is exported to members of the World Wine Trade Group. The expectation is that this percentage will expand in the near future.

Minister Zokwana stated that South Africa remained a committed participant in the World Wine Trade Group and would do its best to contribute towards the objective of the group. "We are confident that the wine sector will continue to grow and make its rightful contribution towards the South African economy—for our country and its people," Minister Zokwana concluded.

ISSUED BY THE DEPARTMENT OF AGRICULTURE, FORESETY AND FISHERIES

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