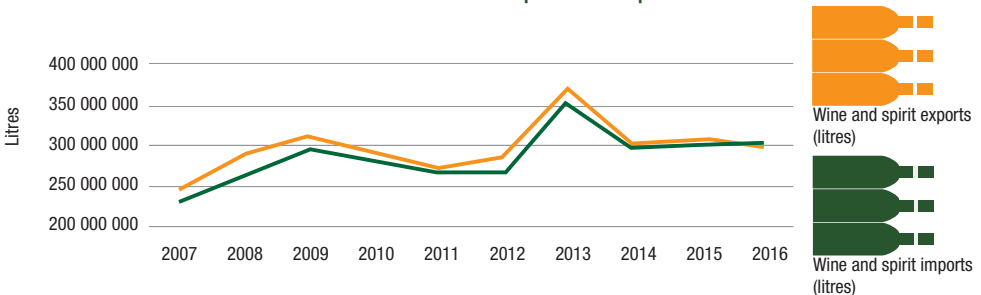




The EU – a growing and reliable market for South African wines and spirits

- South Africa ranks seventh among the largest wine-producing countries in the world. It produces 4% (1.05 billion litres) of the global wine production (26.7 billion litres), according to the International Organisation of Vine and Wine, June 2017.
- Wine exports from South Africa show that 312 590 tons (67%) of exported wine went to the European Union: 217 019 tons bulk and 95 571 tons bottled, in 2016 according to the International Trade Centre.
- Exports to the European Union contribute to the transformation of the wines and spirits industry by creating new opportunities for emerging and previously disadvantaged individuals, including black-owned brands, black farmers and black owners.
- The Economic Partnership Agreement (EPA) between the European Union and the Southern African Development Community EPA Group (Botswana, Lesotho, Mozambique, Namibia and Swaziland and South Africa) came into effect in October 2016. The South African wine sector gains include increased market access and Geographical Indication (GI) protection for local wines under a specific bilateral protocol.

South African wines – imports and exports





Geographical Indications

Geographical indications (GIs) are unique names/signs by which a product is identified as originating from a particular geographical location. GIs provide the description of a product as having certain qualities, characteristics or reputation, which are exclusively or essentially associated to a specific geographical origin.

- GI protection is necessary to ensure that local producers receive the benefits associated with their product quality. They are also intended to protect consumers against the misrepresentation of the actual origin of the product.
- The SADC-EU EPA includes a bilateral protocol between South Africa and the EU on the protection of GIs and on trade in wines and spirits.
- The protocol has been provisionally applied since 1 November 2016, and is open for accession to Botswana, Lesotho, Namibia, Swaziland or Mozambique on application to the Special Committee on GIs.
- In the protocol, South Africa committed to protect 251 GI names from the European Union, which include 120 wines and 21 spirits. The European Union agreed to protect 105 GI names from South Africa. These include 102 wine GIs that are closely aligned to the registered wines of origin in South Africa plus three additional non-wine agricultural products – Karoo meat of origin, Rooibos and Honeybush.
- South Africa has the potential to add 30 more GI names, provided these names do not conflict with the GIs already protected under the Protocol or the origin of the product. This allows local producers protection for their GI names under the EPA framework.

Examples of South Africa wine GIs protected in the EPA

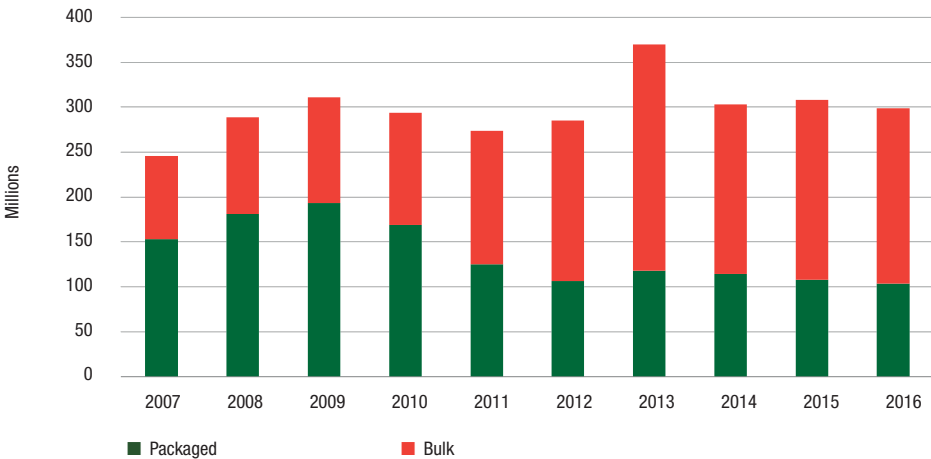
Eastern Cape	Banghoek	Cape Agulhas	Elandskloof	Hout Bay	Sutherland-Karoo
Northern Cape	Boberg	Cape Point	Elim	Klaarvoogds	Swartberg
Western Cape	Bonnievale	Cape South Coast	Elgin	Klein Karoo	Tygerberg
KwaZulu Natal	Bottelary	Ceres Plateau	Franschhoek	Klein River	Robertson
Limpopo	Breedekloof	Coastal Region	Goudini	Koekenaap	Prince Albert Valley
Paarl	Buffeljags	Constantia	Greyton	Lamberts Bay	Philadelphia
Stellenbosch	Bamboo Bay	Durbanville	Groenekloof	Malgas	Worcester
Riebeeckberg	Bottelary	Wellington	Napier	Malmesbury	



THE SADC-EU EPA – Improved market access

- Preferential market access for South African wines to the EU has existed since the conclusion of the Trade, Development and Cooperation Agreement (TDCA) between the EU and South Africa in 2000.
- Under the TDCA, the annual (2016) tariff-rate quota (TRQ) for South African wine to enter the EU duty free was 50 million litres. Market access is significantly enhanced under the SADC-EU EPA, which came into effect in October 2016.
- Under the SADC-EU EPA, an increase to 110 million litres of South African wine – with 70% of it reserved for wine in containers of 2 litres maximum in the first eight months of calendar year – is permitted to enter the EU market duty-free in the first year of implementation. Sparkling wine and wine with alcohol by volume exceeding 18% or less than 13% other than white and other than bottled are excluded from this duty-free quota but shall continue to enter the EU duty free.
- Each year the duty-free quota for wine will increase by 1 059 000 litres.

South African exports of wine to the European Union (litres)



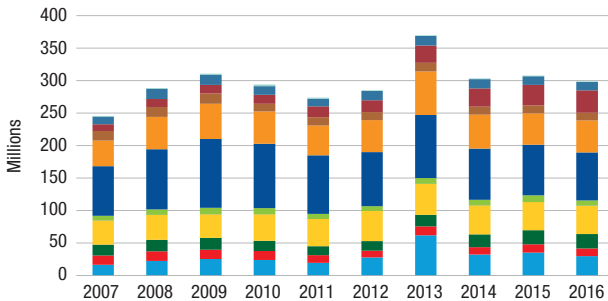
Source: SAWIS, 2017



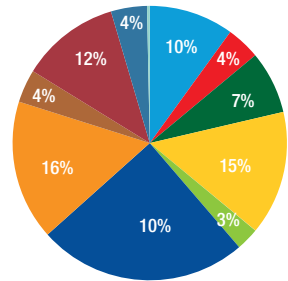


The graph below shows the number of liters of wine by varietal exported by South Africa to the EU over the last decade. The pie chart illustrates a percentage composition of the exports to the EU for 2016. Other red constitutes the largest portion of exported wine in 2016.

South African wine exports by varietal to the European Union 2007-2016 (litres)



South African wine exports by varietal to the European Union 2016 (litres)



- Blanc De Noir & Rosé
- Merlot
- Sauvignon Blanc
- Other Red
- Shiraz
- Pinotage
- Chardonnay
- Other White
- Sparkling Wine
- Chenin Blanc

Source: SAWIS, 2017

Full text of agreement

http://www.thedti.gov.za/trade_investment/trade.jsp

European Help Desk

The EU is the world's largest single market and the Export Helpdesk is your online portal to access it. <http://exporthelp.europa.eu>

Contact us

The SADC-EU EPA Outreach initiative supports the implementation of the agreement in South Africa by providing information on its potential benefits. It comprises the Delegation of the EU to South Africa, the Department of Trade and Industry, the Department of Agriculture, Forestry and Fisheries, and the South African Revenue Service. It is funded by the EU.

<https://sadc-epa-outreach.com>

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SAWIS

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