

## **EXECUTIVE SUMMARY**

### **APPLICATION TO AMEND AUSTRALIA NEW ZEALAND FOOD STANDARDS CODE: MINIMUM ALCOHOL PERCENTAGE FOR SPIRITS USING THE GEOGRAPHICAL INDICATION “TEQUILA”**

This application is made by Spirits New Zealand Inc.

The application is to amend the Australia New Zealand Food Standards Code by lowering the minimum alcohol percentage by volume specified in Standard 2.7.5 for spirits using the *Tequila* geographical indication (GI) from 37% to 35%.

The Applicant believes that the appropriate procedure is the General Procedure Level 1.

The amendment is needed to ensure that all spirits legally entitled to use the *Tequila* GI under the relevant laws of Mexico can be sold in New Zealand and Australia. At present, Standard 2.7.5 requires spirits to have a minimum alcohol content of 37% by volume, while the official Mexican rules for the *Tequila* GI which allow authentic *Tequila* to be produced at a minimum alcohol content of 35% by volume. The effect of this discrepancy is to exclude certain products legally entitled to the *Tequila* GI from the New Zealand and Australian markets.

The proposed change will ensure that all products legally produced in Mexico under the *Tequila* GI can be sold in Australia and New Zealand. The Applicant considers that the effect of such a change would be to:

- give consumers greater choice across the full range of products entitled to use the *Tequila* GI;
- be consistent with the recognition of the *Tequila* GI by the Governments of Australia and New Zealand; and
- avoid unnecessary obstacles to trade.

The Applicant does not believe that the application is likely to be opposed by other spirits producers since it affects only those producers entitled to use the *Tequila* GI, and the proposed change reflects the actual terms of the legal requirements to which such producers must conform in order to use the *Tequila* GI. The application is supported by the associations representing *Tequila* producers in Mexico and spirits producers in New Zealand and Australia.

The application is consistent with FSANZ’s obligation to protect public health and safety because it reduces the permissible alcohol content of one specific type of spirits in accordance with the rules of the originating country. The Applicant believes that the application would have little impact on nutritional content (potentially a slight reduction of calorie content) and would not produce adverse health or dietary impacts.