

Speech by Commissioner Phil Hogan at European Parliament Intergroup on Wines Spirits & Quality Foodstuffs

March 8th, 2016, Strasbourg

- Check Against Delivery –

(Introduction)

- MEP Dorfmann, esteemed Members of the European Parliament,
- Thank you for inviting me here today. I'm happy to have the opportunity to engage directly with you, and I look forward to hearing your views.

- In my role as Commissioner, I travel throughout the EU, and it is clear to me that European citizens cherish the rich heritage of our wine-growing regions, and they want our wine and spirits sector to remain healthy and productive.
- I believe the future remains bright for this vitally important sector. Our growers, producers and operators have a well-deserved global reputation for quality and innovation. **Our job, in my view, is to maintain and enhance this position in the coming years.**
- I believe that with the right mix of smart policy support and strong promotion at home and abroad, we can safeguard that rich heritage for the next generation.
- Our wines and spirits are the finest in the world, and if we work together to increase and enhance trade and exports, new and lucrative opportunities will arise.

(Trade – Exports – GIs)

- This is why I took the decision to make 2016 the Year of the "Diplomatic Offensive". I will be travelling to key export markets to intensify and create new relationships with third countries for our mutual benefit.
- I recently visited Mexico and Colombia, and later this year, I will also visit China, Japan, Vietnam and Indonesia. On each trip, I will be accompanied by a business delegation from our agri-food sector, including representatives from wine and spirits companies.
- For example, in Colombia and Mexico, I was joined by representatives from Spirits Europe, Belgian Sparkling Wine, Miguel Torres and Wine Rueda from Spain, and the Scotch Whisky Association from the UK.
- Participating in these delegations gives operators excellent business opportunities and helps them to gather knowledge on export procedures for attractive new export destinations.

- I will do my very best to open up new markets for EU wines and spirits. This will lead to growth opportunities for the sector and more quality jobs for our citizens.
- A vital part of this work is identifying barriers to successful trade, and working with our partners to remove them. For example, in Colombia, I raised the issue of unfair taxation on products with a higher alcohol content, and I am confident that this engagement will eventually deliver a good result.
- I am also committed to making progress on trade agreements. If we look at TTIP, for example, a good, balanced deal is an EU priority, and the gains for each side can be enormous.
- Alcoholic beverages represent about 50% of EU agricultural products exported to the US, making it the key export outlet for this sector.
- To achieve a lasting TTIP agreement, we need to address the remaining barriers, in particular the elimination of the remaining tariffs on wine, and strong protection of EU wine and spirit names.

- This is one of our major offensive interests in the negotiation; we are looking for the exclusive protection of 17 EU wine names like Champagne, Port, Sherry; Chianti; as well as the addition of 21 new spirit names.
- I am convinced we can get a balanced outcome that will have the support of Europe's agri-food sector, including wine and spirits. But to achieve that balance, and to get the support of our farm groups, Member States and the European Parliament behind a TTIP deal, Europe will need some gains too.
- Broadly speaking, the Commission has adopted a new trade and investment strategy. Besides TTIP, our objectives are:
- To submit the Comprehensive Economic and Trade Agreement with Canada, also known as CETA, to the Council and then the European Parliament for approval;
- To strengthen strategic engagement in the Asia Pacific region;
- And to progress an ambitious agenda in Latin America , including negotiations with Mercosur and the modernisation of agreements with Mexico and Chile.

- We are confident that the EU wine and spirits sectors will benefit hugely from a more effective and ambitious trade policy.
- We are also promoting our products harder than ever.

(EU Rules relating to wine & spirits sector)

- Now let me provide an overview of the EU rules relating to the sector. I am fully aware that members of this Intergroup have particular concerns, and I will listen to these closely.
- Let me give you a few brief words on the Commission perspective.
- Following the latest reform of the CAP, farmers and operators in the wine and spirits sector are operating in a more dynamic and more innovative environment.
- With the reforms, we have moved away from classical market measures, and I believe this reorganisation of supports for the sector will serve growers and operators well.

- I also want to address the issue of simplifying marketing standards and labelling provisions for agricultural products in order to align them with the Lisbon Treaty. Members of this Intergroup and stakeholders have expressed reservations about this on a number of occasions.
- **First of all, I must emphasise that when it comes to simplifying and aligning marketing standards we are only in the brainstorming phase at present.**
- No implementing or delegated act has been drafted yet, and the setting up of these regulations will be carried out on the basis of a broad consultation. **I strongly hope that you will provide your constructive contribution to this process.**
- Indeed, I think it's fair to say that this has been a bottom-up and participatory process from the start.
- Since the review was initiated, Member States have been actively included in the reflection process through workshops and discussions in expert groups and committees. All remarks submitted by national administrations and stakeholders were carefully examined.

- European Parliament experts were also invited to all expert groups and received the relevant documents.
- Moving forward, I can assure you that this work will not bring into question the political compromise that was reached in the 2013 CAP reform. There is no intention to modify the key labelling provisions or to undermine any specific aspects of the wine legal framework.
- **What we are interested in, however, is simplification.** As you know, simplifying CAP rules for our hard-working farmers and agri-businesses is one of my absolute priorities.
- And I am supported in this commitment by President Juncker, who wants this Commission to be different and more effective than its predecessors. For this reason we are seeking to create "better regulation" wherever possible.
- And agriculture is no different. Let me be quite clear, ladies and gentlemen: **simplification does not imply 'de-regulation'**.
- **What we do want to achieve is less administrative burden and greater legal clarity.** This reflects the expectations of our farmers and operators, including in the wine sector.

- **And just to be crystal clear: the Commission is not planning to publish any such proposals anytime soon.**
- **Other work is ongoing, however.** The rules governing national support programmes for the wine sector have been finalised after two years of work, including intensive consultation of Member States and wine operators.
- The Implementing Regulation will soon be presented for a vote at the Wine Committee and then both the delegated and the implementing regulations will be adopted by the Commission.
- The Delegated Regulation will be submitted to the European Parliament and Council for scrutiny in the next few weeks.
- The main innovations in these two acts relate to rules on the demarcation with other funds to avoid double financing, the payment of advances, simplified cost reimbursement options, the control system, the proportional reduction of aid due to partial execution and notifications due by Member States.
- It is important to point out that since 2009, wine support programmes have had a considerable impact on the exports of wine outside the EU.

- In 2015, exports experienced a further increase of 9% in terms of value, corresponding to 3% in volume. This made a real contribution to the EU trade balance with a surplus of 8,4 billion euros.
- In conclusion, ladies and gentlemen, there are many positive things happening in the sector, and on behalf of the sector, at the present moment.
- I thank you for your attention, and I look forward to hearing your thoughts. Thank you.