

MERCOSUR

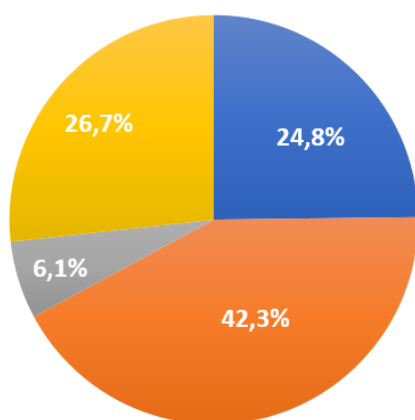
A PROMISING MARKET FOR EU SPIRITS



€ 28 805 701

EU SPIRITS EXPORTS TO MERCOSUR

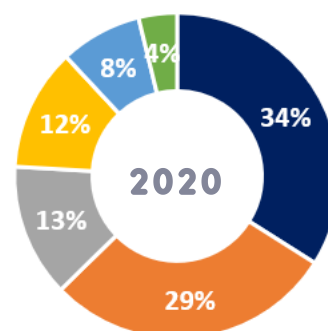
EU SPIRITS EXPORTS TO MERCOSUR COUNTRIES BY DESTINATIONS IN 2020



■ ARGENTINA ■ BRAZIL
■ PARAGUAY ■ URUGUAY



KEY EU SPIRITS CATEGORIES EXPORTED TO MERCOSUR COUNTRIES



■ Vodka ■ Liqueurs & cordials
■ Whiskies ■ Gin & Geneva
■ Distilled grape wine/marc ■ Other

With a population of 266.5 million inhabitants, Mercosur countries offer great growth potential. Once ratified, the FTA will bring down barriers on both sides and open the Mercosur market to EU high-quality spirits.

OVERVIEW OF THE KEY BENEFITS OF THE EU-MERCOSUR FTA FOR SPIRITS

Gradual tariff elimination over 4 years

Greater protection against counterfeit

Trade facilitation & standards recognition

Protection for EU GIs

Provision on level playing field with domestic categories

RATIFICATION OF THE EU - MERCOSUR AGREEMENT WILL HELP US SEIZE THE OPPORTUNITIES OFFERED BY THIS PROMISING MARKET

- ✓ **TARIFF LIBERALISATION** | Full gradual import tariff elimination for all EU spirits over a period of 4 years from entry into force of the agreement (most EU spirits currently face a 20% import tariff)
- ✓ **WINE & SPIRITS ANNEX** | Trade facilitation measures for wine & spirits through labelling provisions and greater protection against counterfeiting by preventing the removal of lot codes.
- ✓ **PROTECTION OF SPIRITS GEOGRAPHICAL INDICATIONS** | Leading spirits GIs (such as Irish whiskey, Scotch whisky, Swedish vodka, Polish vodka, Cognac) will be recognised & protected and the use of pre-existing trademarks with GI names will be better controlled.
- ✓ **LEVEL PLAYING FIELD WITH LOCAL SPIRITS** | The agreement will ensure that domestic & imported products are treated fairly and equally, in line with GATT Article III.
- ✓ **USE OF REGIONAL HUBS** | The rules of origin agreement will allow the use of regional hubs by EU exporters.



TRADE WITH MERCOSUR COUNTRIES: A DRIVER OF SUSTAINABILITY



The agreement with Mercosur binds both sides to the Paris Agreement, promotes the implementation of several environmental commitments and offers a unique platform to effectively address sustainability challenges. Commitments on workers' rights and environmental protection will be enforceable through a dispute settlement mechanism which foresees a role for civil society organisations and calls on the expertise of international bodies, whose reports and recommendations must be made public.

SPIRITS & SUSTAINABILITY COMMITMENTS IN BRAZIL

As a responsible and environmentally-conscious sector, we stand ready to continue and lead efforts to increase sustainable development and reduce our waste & carbon footprint, in line with SDG objective 12



ECOGESTO

Project of ABRABE, the Brazilian Beverage Association, to help increase waste collection & management through capacity building, educational activities and support to local waste collection cooperatives.

GLASS IS GOOD

Over 4 years, this project, which involves leading beverages companies like Diageo & Pernod Ricard & their wider supply chains, has collected and recycled more than 5.000 tons of glass.

REDUCTION OF WATER CONSUMPTION

Since 2015, leading beverages manufacturer Pernod Ricard Brasil has reduced its water consumption by 22.5% and led several local campaigns.