



LATIN AMERICA & THE CARIBBEANS: TWO PROMISING MARKETS IN THE FRAME OF EU SPIRITS' DIVERSIFICATION STRATEGY

SHARE OF EU EXPORTS TO CELAC MARKETS (export value 2022) %

1. MEXICO	€110m	28%
2. PANAMA*	€44.7m	11%
3. BRAZIL	€36.7m	9%
4. CHILE	€36.7m	9%
5. URUGUAY	€21.7m	6%
6. COLOMBIA	€20.6m	5%
7. ARGENTINA	€14.7m	4%
8. DOMINICAN REPUBLIC	€14.7m	4%
9. BAHAMAS	€10.8m	3%
10. PERU	€10.5m	3%
OTHERS (23 countries)	€72m	18%

Source: Eurostat 2022

652 MILLION INHABITANTS



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Combined GDP: USD 6 trillion
Forecast growth to be above EU & US in 2024
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*The hub in Panama is the cornerstone of our supply chain model. We welcome the Commission's understanding of the issue and call for additional efforts to ensure that rules of origin allow for the use of hubs for transportation, splitting of consignments & regulatory purposes across the region, while retaining the eligibility for preferential tariff agreed in FTAs.

We urge the EU to:

1. Ratify without delay the trade agreements with Mercosur & Mexico
2. Unlock the potential of regional hubs for exports to all countries in the region which is currently prevented by the "direct transport clause" in agreements with CARIFORUM, Andean Countries & Central America
3. Ensure fair competition between EU spirits exports and local producers
4. Intensify regulatory cooperation to address and prevent regulatory barriers - building, when available, on existing bi-lateral fora under EU agreements
5. Initiate a dialogue with LAC countries to fight illicit trade

WE CALL ON THE EU TO

- Intensify regulatory cooperation to address & prevent regulatory barriers
- Secure fair competition between EU spirits exporters and local producers

BRAZIL

- Encourage Brazil to align its standards with international practices
- Increase the protection of GIs
- Reduce barriers related to certification, inspection & testing requirements
- Leverage the Market Access Teams to address market access issues



CHILE

Encourage Chile to refrain from imposing overly prescriptive formats for health warning messages & energy labelling and to allow less trade restrictive alternatives

COSTA RICA & PERU

Eliminate the tax differential between domestic products and imported spirits which is inconsistent with GATT Article III.2



DOMINICAN REPUBLIC

- Encourage the authorities to reconsider the pertinence of the TRAFICO system and tax stamps
- Allow foreign companies to conclude and terminate their contracts with local distributors without cumbersome negotiations

MEXICO

Deepen EU-Mexico cooperation and coordination on third countries' regulations and standards on spirits

ILLICIT TRADE: A JOINT CHALLENGE TO TACKLE TOGETHER

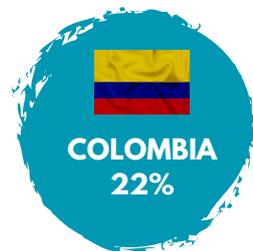
Illicit trade - which includes counterfeit products, smuggling, illicit artisanal, tax leakage & surrogates - presents a triple threat to public health, economic development, and public budgets. It seriously hampers the realisation of the SDGs.



Safeguarding the integrity of lot codes is crucial in the fight against illicit trade and should constitute an integral component of trade agreements & regulatory cooperation.



PERCENTAGE OF ALCOHOL CONSUMPTION WHICH IS ILLICIT



Recommendations to tackle illicit trade

We call on the EU to initiate a dialogue with CELAC countries to tackle illicit trade, focusing on its root causes, as well as on the reinforcement of controls at borders & penalties. Awareness raising, lowering of barriers for legitimate trade, greater IP protection and capacity building & exchange of best practices are all parts of the solution.