



Prof. Mário Centeno – President of the Eurogroup
Mrs Christine Lagarde – President of the European Central Bank
Dr Ursula von der Leyen – President of the European Commission
Mr Charles Michel – President of the European Council
Mr David Sassoli – President of the European Parliament

Brussels, 6 April 2020

Subject: spiritsEUROPE thanks European solidarity, stands ready to assist in recovery

Dear Presidents,

spiritsEUROPE, the trade association representing the European spirits sector, **commends the dedication and solidarity shown by governments, institutions and individual communities alike across Europe in the face of the COVID-19 pandemic.**

Our thoughts remain with those affected by the virus, with their families, and with the care-givers whose heroic work in these trying times makes us all proud. We celebrate also the efforts of those in our sector, many of whom have **converted production from alcohol products to hand sanitizer** to meet the increased demand of our health services. **Our sector has long been a responsible and innovative one, and we are encouraged to see so many of our colleagues step up to the plate.**

The measures taken across Europe by governments are necessary at this time. We respect the decision to close pubs, clubs, restaurants and hotels; the safety and security of our workers and customers are paramount. **We recognize that this temporary closure is painful for this sector; some of our member companies have donated to dedicated funds for hospitality staff, and we will continue to coordinate with those affected to see how we can help.**

Our sector is synonymous with European tradition and excellence; our sector creates employment for over one million people – many of which in disadvantaged rural areas – and our high-quality products are exported all over the world, with spirits the most valuable EU agri-food export in 2019. In the wake of this crisis, we will need institutional support to ensure a swift recovery.

- **It is essential that our partners in the hospitality and service sectors are, and continue to be, adequately protected.** Supportive fiscal policies, such as a guarantee of employee wages, the deferment of VAT & other tax payments, a temporary reprieve for rent and mortgage repayments, targeted reductions on excise etc., should be considered with the utmost urgency. The spirits sector is one of many that depend on a robust service industry, we do not want to see otherwise viable and vibrant businesses close during this crisis;
- **It is important to preserve the Internal Market and ensure that European consumers have continued access to the food and drink they love.** We appreciate the efforts of EU institutions and national governments to maintain a functioning Single Market and to avoid transport

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bottlenecks. Our production, as well as that of our required ingredients, packaging and packaging materials, is integral to the essential food & drink supply chain, and this needs to remain uninterrupted. The high-quality products we place on the market are the fruit of a diverse and intricate chain on which many secondary businesses (distillation, production, bottling, distribution, marketing, etc.) depend; ensuring the proper functioning of the supply chain would offer further protection to these businesses and allow us to meet consumer demand. Innovative approaches to e-commerce and online sales would also help towards achieving this;

- **European spirits are truly a global product. It is imperative that trade disputes with our largest markets are resolved as a matter of priority** – the imposition of tariffs on our products exported/imported to/from the USA has had a remarkably detrimental impact on our sector, the removal of such barriers to trade would facilitate, if not accelerate, our economic recovery and safeguard many thousands of European jobs.

The past months have presented some formidable challenges. As things stand, in our largest export market, the USA, many of our products are subject to punitive tariffs due to an unrelated aircrafts dispute. This year, with distillery visitor centres closed, our growth within the tourism sector has stalled, while the hospitality and travel retail sectors have completely collapsed. Demand in markets in which our products had enjoyed the most promising growth – such as China – has fallen.

That said, we remain confident in the strength of Europe, and in our capacity to recover – especially when we all work together to find effective solutions. We will need your help to recover and to help our supply chain to regain strength, contributing to the recovery of our economies and communities.

We would like to thank you and your teams for their evident commitment to the European project. The solidarity you have shown and the support you have mobilized in the past few weeks is greatly appreciated, and we hope that you will continue to work with national governments in the Member States in the coming weeks.

We are acutely aware that a number of issues must take priority in the coming weeks, but we stand ready to contribute and advise on how best our sector, and those that our sector supports, can recover and return stronger than ever following this crisis.

We are looking forward to a return to a strong and vibrant Europe underpinned by sustainable and inclusive growth, and remain available should you wish to discuss this letter in more detail.

Best regards,

Christian Porta
President, spiritsEUROPE

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