

PRESS RELEASE



spiritsEUROPE calls on the EU to remain a strong defender of free, rules-based international trade in the wake of the COVID crisis

Brussels, 21 September 2020 – Defending free, rules-based international trade and fighting protectionism should remain the key priorities of EU trade policy. As part of Europe’s recovery strategy, a strong focus should be put on resolving ongoing trade disputes, securing the swift ratification of negotiated deals and strictly enforcing existing agreements.

Today, spiritsEUROPE, representing spirits producers in Europe and one of the EU’s most valuable agri-food export sectors, submitted its [comments and expectations](#) on the renewed EU trade policy as part of the public consultation organised by the European Commission. *“Our message to Vice President Dombrovskis and his colleagues is very clear: the EU should remain a champion of open, rules-based international trade, it must resist protectionist tendencies and robustly address market access barriers, which are likely to increase in the current economic downturn”,* said Ulrich Adam, Director General of spiritsEUROPE.

With exports having grown by 119% in value over the past ten years, Europe’s spirits sector has been one of the main beneficiaries of EU trade policy. This impressive trend has come under severe pressure in recent months, as US tariffs imposed on certain European spirits since October 2019 and the effects of the COVID-19 pandemic in 2020 have started to bite, resulting in a 27% decrease in spirits exports compared to the same period last year. *“Trade policy must therefore feature as a key pillar of Europe’s recovery strategy”,* Adam said.

Keeping a strong focus on negotiating new Free Trade Agreements (FTAs) will help to improve market access in third countries. Whilst not losing sight of traditional export markets such as the USA, the bilateral agenda should seize opportunities in markets where considerable potential remains untapped. *“Already negotiated trade agreements, such as the EU-Mercosur FTA, should be ratified without delay. In so doing, we believe it is our common task to explain the tangible benefits of free trade and free trade agreements. In the case of spirits, there is a proven, beneficial link between the export of spirits with Geographic Indications (GIs) and the creation of local jobs and growth”,* said Adam.

spiritsEUROPE is calling for a close collaboration between the business community and the EU’s new Chief Enforcement Officer (CTEO) who should have sufficient resources to address regulatory barriers and tax discrimination effectively, and to oversee the proper implementation of concluded agreements. *“EU trade partners must live up to their commitments. While the EU spends considerable time and effort in negotiating trade agreements, mechanisms to secure their effective application are equally important. We welcome the appointment of the new Chief Trade Enforcement Officer – a role that will be particularly important as we face an increased number of markets access barriers in the wake of the COVID crisis.”*

At the multilateral level, the EU should make sure that the essential role of the World Trade Organisation (WTO) is preserved and its efficiency increased. *“We count on the incoming WTO Director General to deliver tangible progress on important new challenges, such as e-commerce, barriers to services and investment as well as illicit trade,”* Adam concluded.

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NOTE TO EDITORS:

spiritsEUROPE proudly represents one of Europe's most valuable agri-food export sectors and, with it, the interests of 31 associations of spirits producers as well as 10 leading multinational companies.

More information can be found here: <https://spirits.eu/>

spiritsEUROPE [detailed submission](#) to the EC consultation on future trade strategy.

- (1) 2/3 of our exports are protected by **geographical indications** (GIs), which are not only instrumental in boosting exports but are also a guarantee of local job and growth creation and therefore of strategic importance during the recovery: [EU study on economic contribution of GIs](#) (20 April 2020). Learn more on spirits Geographical Indications: click [here](#) for the European map.
- (2) **Digitisation** could play an important role in boosting EU exports, both as a trade facilitation instrument, and by opening up new sales channels and markets to key EU export sectors, such as spirits, through the emergence of e-commerce. There are still many barriers to e-commerce in alcoholic beverages around the world. The restrictions put in place during the Covid-19 pandemic have made the need to remove these obstacles even more pressing.
- (3) Trade can play a significant role in supporting the **UN Sustainable Development Goals** and in attracting investment into developing countries. spiritsEUROPE believes the most significant way of enabling this is to protect legitimate trade, by removing barriers and inefficiencies, and to tackle illicit trade. The EU should push for an international definition of illicit trade at WTO level and work with developing countries to address factors conducive to illicit trade in spirits, such as disproportionately high taxation.