



[Re-] Strengthening the European Spirit

Our Priorities for
the 2024 European elections and
the next European Commission





The European spirits sectors calls on the EU institutions to:

Protect a frictionless EU Single Market for food & drink products

The next European Commission should:

- ♦ *Prevent the (re-) fragmentation of the Single Market and fight the emergence of national barriers to intra-community trade.*
- ♦ *Define the fundamental rules for digital food labels in the forthcoming revision of the Regulation on Food Information to Consumers (FIC) – Regulation 1169/2011.*
- ♦ *Present a harmonised proposal that regulates how digital labels on alcoholic beverages can provide use-/health-related guidance (e.g. information on moderate and responsible drinking) to consumers in evidence-based, proportionate, and meaningful ways.*

(Re-) Strengthen the EU as a global champion for trade

- ♦ *The EU should pursue an ambitious, proactive trade agenda resting on 3 core elements:*
 1. *Openness*
 2. *Cooperation with third countries*
 3. *New Free-Trade Agreements (FTAs) with high-growth regions*
- ♦ *The policy drive should be led once again by a dedicated Trade Commissioner working 100% on external trade policy.*

Enhance cooperation for responsible, inclusive & sustainable growth

- ♦ *Sustainable food system: embrace a holistic, public-private partnership approach which combines legislative and self-regulatory initiatives to drive further progress towards more competitive, resilient & sustainable EU food systems.*
- ♦ *Packaging policy: maintain flexibility and openness. This will allow to preserve traditional bottle designs and support the most sustainable packaging solutions to scale up and co-exist in the marketplace.*
- ♦ *Responsible drinking: reinstate a regular, structured dialogue platform to discuss effective approaches for promoting responsible drinking and discouraging excessive consumption.*

spiritsEUROPE proudly represents trade associations and spirits producers in European countries. The spirits sector offers consumers a large variety of high-quality products, made from a broad range

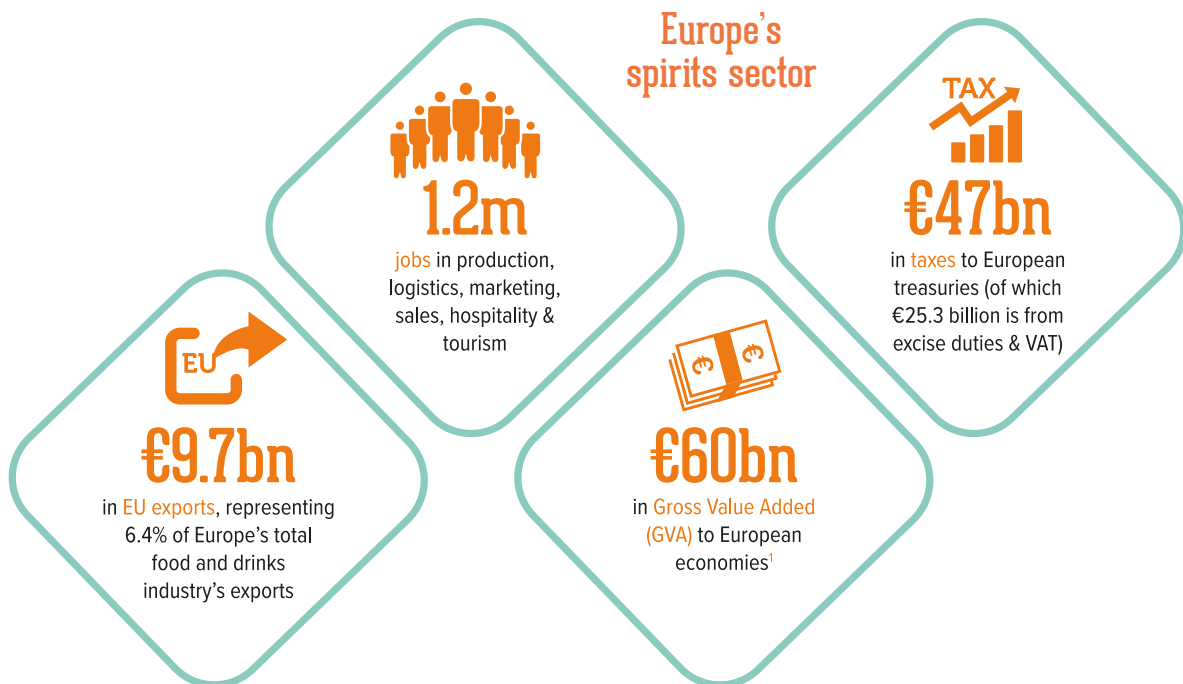
of agricultural raw materials. We work closely with policy makers to defend and promote the sector, protect our cultural heritage, and contribute sustainably to jobs, growth, and prosperity across the continent.



The success of European spirits is based on centuries of skill, tradition, ingredients of agricultural origin and secret recipes handed down through the generations. Irish Whiskeys, Cognac, Grappa, Polish Vodka, Deutscher Weinbrand, Ouzo or Genever are examples of the 250+ spirits registered as Geographical Indications (GIs) in Europe and cherished all around the world. GIs are a real driver of jobs and growth across Europe – particularly in rural areas where the bulk of Europe's spirits production is located.

The global fame of Europe's spirits attracts a steadily growing number of tourists: more than **6 million tourists visited European distilleries in 2022**, which helps support and revitalise rural communities.

✓ *European spirits: a dynamic sector making a positive contribution to society & rural communities*

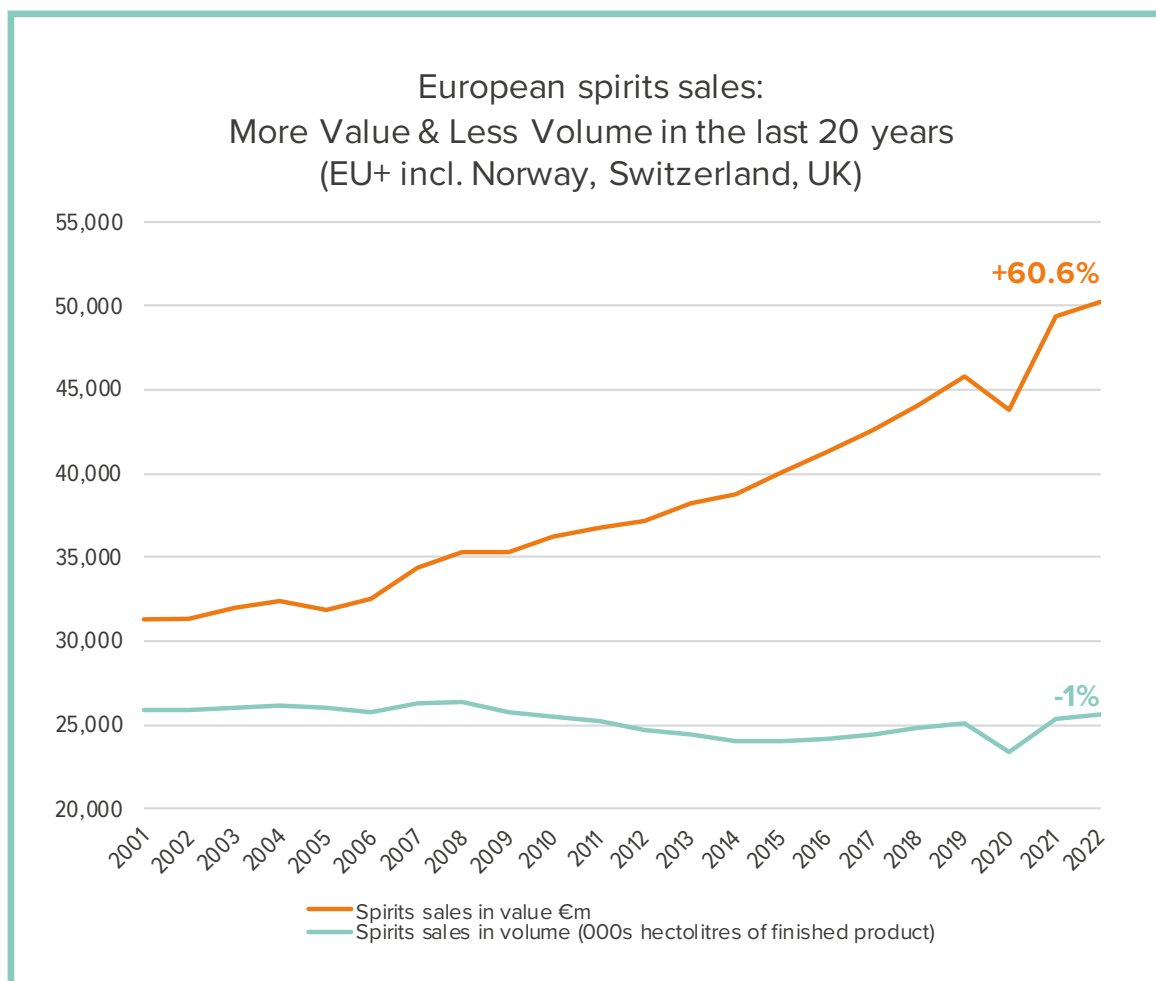


¹ IHS Report 2021 – The economic and ecological footprint of the spirits sector in the EU, the UK, Norway and Switzerland:
[https://spirits.eu/upload/files/publications/GEN.DOC-026-2021%20IHS%20Economic%20Footprint%20Report%20FINAL2\(1\).pdf](https://spirits.eu/upload/files/publications/GEN.DOC-026-2021%20IHS%20Economic%20Footprint%20Report%20FINAL2(1).pdf)



In Europe, consumers – in their quest for unique, authentic consumption experiences – tend to ‘trade up’ when purchasing spirits, with the demand for distinct and premium products growing steadily over the past 20 years. Of all alcohol beverages, spirits are best placed to answer to the premiumisation trend thanks to the breadth of the category and its unique ability to produce complex, high-value, aspirational products supported by traditional skills and techniques such as, for instance, macerating, mixing, or ageing. As a result of this ‘premiumisation’ trend, the total value of spirits sold in the EU has increased constantly since 2001 (+ 60.6%) while overall volumes sold decreased slightly (-1%) during the same time.

✓ *European spirits:
an unmatched
commitment to quality
products & innovation*



Source: The IWSR – drinks market analysis



✓ European spirits: the need for equal treatment in tax policies

In Europe, half of all excise tax revenues from alcoholic beverages are derived from spirits. However, spirits only represent a fifth of total volume of alcoholic beverages consumed in the EU-27. On average, more than half of the final price of a spirit bottle is made up by taxes (excise & VAT). By contrast, excise duties on beer are on average about 3 times lower than for spirits. 80% of the EU population pays no excise on wine because more than half of the Member States apply a zero excise tax rate on wine.

Whether you choose beer, wine, or spirits, a standard drink of each contains the same amount of alcohol.² Spirits need fair and equitable treatment in all policies to add more growth, jobs and revenues in Europe. There is no other example in the EU where the most productive, effective, and agile sector bears the highest burden of taxation. **The discriminatory treatment of spirits in Europe needs to end!**



✓ European spirits: a trusted partner for hospitality success

In recent years, more and more innovative bars have emerged that offer customers the opportunity to sample and enjoy some of Europe's finest spirits. Moreover, Europe's cocktail culture is booming: each year, new bars and lounges are opening that excel in the art of mixology to create unique cocktail experiences. Spirits are a key ingredient of success for bars, hotels, and restaurants. The spirits sector supports high-end, high-skilled jobs, bringing prestige and providing financial resilience to hospitality venues. In fact, in Europe, the "accommodation and food services" sectors are the biggest beneficiaries from spirits production and also consumption³.



² Based on 250 ml of beer at 5% ABV, 100 ml of wine at 12% ABV and 30 ml of a spirit drink at 40% ABV

³ IHS Study – p.52 – [https://spirits.eu/upload/files/publications/GEN.DOC-026-2021%20IHS%20Economic%20Footprint%20Report%20FINAL2\(1\).pdf](https://spirits.eu/upload/files/publications/GEN.DOC-026-2021%20IHS%20Economic%20Footprint%20Report%20FINAL2(1).pdf)



What our sector needs from the EU

#SpiritOfIntegration

1. (Re-) Strengthen the Single Market

Spirits have played an important role in the creation of the Single Market⁴ and enjoy harmonised rules for production, marketing, distribution, labelling and sales (thanks to the EU's Spirit Drinks Regulation 2019/787).

The Single Market remains the economic backbone of our sector: to guarantee broad consumer choice, maintain fair competition, and boost producers' competitiveness, it is paramount that harmonised EU rules are not undermined by national initiatives.

👉 *The EU must prevent the (re-)fragmentation of the Single Market and fight the emergence of national barriers to intra-community trade (and the unnecessary costs and administrative burden that come with them). As part of this commitment, the EU must ensure strict enforcement of EU rules and start infringement procedures against non-compliant Member States as and when needed.*

Today, consumers and citizens are extremely agile in using digital tools, and **digital labels on food and drink products** are growing quickly in popularity and use. In the coming years, more and more food and drink products will feature QR codes that consumers can easily scan to obtain trustworthy product-related information and guidance, empowering them to make more informed choices.

👉 *EU food labelling rules need to evolve together with technology. To make the EU a true leader in digital food labels, the EU should define the fundamental rules for digital food labels in the forthcoming revision of the Regulation on Food Information to Consumers (FIC) – Regulation 1169/2011.*

U-Label is a unique e-label platform that enables consumers to access product-specific information about wine and spirits anytime, anywhere, in their own languages

Scan this QR code to see the width of information available



Lough Ree Distillery

BART'S IRISH WHISKEY

Blended Irish Whiskey. Non Chill Filtered and Natural Colour.

Irish Whiskey

Ireland • Whiskey • 46% vol • 700 ml

Bottled for: Lough Ree Distillery • Main Street, Lanesborough, Co Longford, N91 P228, Ireland

⁴ e.g. 1979's 'Cassis de Dijon' EU court case that provided mutual recognition of standards in different EU countries.

Digital labels are uniquely placed to convey extensive, multilingual, geo-localized information and guidance to consumers. State-of-the-art food labels that combine physical and digital elements can provide such additional information (e.g. use- and health-related advice, guidance on where to recycle bottle) to consumers without distorting the Single Market.



👉 *The next European Commission should present a harmonized proposal that regulates how digital labels on alcoholic beverages can provide use-/health-related guidance (e.g. information on moderate and responsible drinking) to consumers in evidence-based, proportionate, and meaningful ways. At the same time, the EU should oppose national labelling initiatives (such as the recent Irish legislation on Health Warning Labels) that do not meet these criteria and distort the integrity of the Internal Market.*

The spirits sector in action...



Since 2019, spiritsEUROPE has implemented an ambitious labelling commitment (the so-called Memorandum of Understanding/MoU) that provides consumers with energy information on-pack and ingredient listing via digital labels (=scanning of a QR code). Today, more than 2 out of every 3 spirits bottles in the EU already feature energy information on the bottle, and the share of digital labels is growing fast!

👉 *As of 8 December 2023, wine bottles in the EU are under the legal obligation to provide energy information on-pack and ingredient listing via digital labels. In the future, this combined labelling approach (on-pack plus digital) should be made mandatory for all alcoholic beverage products.*



#SpiritOfAmbition

2. (Re-) Strengthen the EU as a Global Champion for Trade

Thanks to the global reputation of European spirits, our sector is an export-driven sector. We firmly believe in trade as a force for good and as an agent for sustainable change and development. Whenever European producers invest in, and export, spirits across the world, we also export and spread high-quality standards and procedures, helping to generate sustainable jobs & growth in third countries, in line with the UN's Sustainable Development Goals (SDGs).



“ We always try to source new products that are not easily available and might be unique for many clients. I could not imagine working without the great variety of high-quality spirits coming from Europe. It is fascinating to see such a wave of creativity in production, which supports innovative cocktail making.

David Hans,
Mixologist at Three X Co in Kuala Lumpur
(Malaysia)

With 85% of global growth expected to come from outside of the EU in the next decade, creating new export opportunities for EU products worldwide is more important than ever. In a volatile world marked by supply chain disruptions and geopolitical tensions, trade diversification is key for achieving resilient export success. While deepening trade links with key partners (such as the US, China or the UK) the EU should also put a strong focus on emerging regions with high export potential (such as India, ASEAN, Sub-Saharan Africa & Mercosur). In so doing, the EU should support our trade diversification efforts by:

- ◆ addressing high tariff and regulatory barriers, discriminatory measures and unjustified and costly requirements in third countries;
- ◆ protecting Geographical Indications (GIs) and trademarks against imitation; and
- ◆ helping spread the word about the high quality and diversity of EU food & drink products.

👉 **We need an ambitious, proactive EU trade agenda to remain a motor of growth and jobs and sustainable development. An ambitious, proactive EU trade agenda rests on 3 core elements: openness, cooperation with third countries, and new Free-Trade Agreements (FTAs) with high-growth regions. In the next term, the EU's trade agenda should again be led by a Commissioner working 100% on external trade policy.**

10 RECOMMENDATIONS FOR A RE-STRENGTHENED EU TRADE AGENDA

1

Make the temporary removal of EU & US tariffs on spirits permanent & ensure that sectors in which the EU has a trade surplus are NOT brought into unrelated disputes.

2

Maintain a balanced approach towards China and engage in constructive regulatory cooperation in the field of alcoholic beverages – including on sustainable agriculture.

3

Pursue ambitious trade negotiations with emerging high-growth markets (India, ASEAN, Africa) to support the sector's diversification efforts.

4

Ensure effective implementation of existing bi-lateral & multilateral commitments by 3rd countries.

5

Engage in regulatory cooperation on spirits standards with priority markets and like-minded partners, in order to resolve and prevent where possible the emergence of trade barriers.

6

Ratify concluded agreements without delay (e.g. EU-Mercosur FTA).

7

Strengthen the role & relevance of the WTO across all of its core functions.

8

Prioritise multilateral solutions to common challenges over autonomous measures where possible & ensure WTO compliance of new policies.

9

Continue to promote and protect quality EU food & drink products and Geographical Indications (GIs) worldwide by maintaining a robust EU budget for promotional policies initiatives that remain available to all eligible products without discrimination.

10

Tackle illicit trade and address common risk factors conducive to illicit trade, in partnership with third countries.



“ The growth in exports of Irish Whiskey has been greatly supported by free trade, and further growth is possible. We are calling for a number of actions to expand the network of EU free trade agreements with promising markets, such as Australia, Mercosur, India and Thailand. India – as the second biggest spirits market in the world – is particularly promising, but we need to address the prohibitive import duties applying to our products.

James Doherty,
Managing Director of Sliabh Liag Distillers and
Chairman of the Irish Whiskey Association



#SpiritOfCooperation

3. (Re-) Strengthen Cooperation for Responsible, Inclusive & Sustainable Growth

Sustainable from #Farm2Glass



Scan to
learn more



Sustainability has always been at the heart of what we do. The production of spirits requires a **long-term view**, with some aged spirits taking up to 60 or even 100 years from start of production until the final bottling. All our products are a direct reflection of the natural surroundings – the terroir – from which they are sourced. Spirits drinks have always been part of particularly **sustainable productions systems**, delivering long-term economic, environmental, and societal benefits to the communities that produce them. In line with this, our sector is increasingly investing in **Regenerative Agriculture** to improve soil quality by sequestering more carbon, reducing greenhouse gas emissions, and delivering benefits to the broader ecosystem (water stewardship, biodiversity), while sustaining farmers' productivity and profitability.

👉 *The EU should adopt a public-private partnership approach which combines legislative and self-regulatory initiatives to drive further progress towards more competitive, resilient & sustainable food systems. In addition, a holistic policy approach that focuses on the entire value chain is needed.*

Sustainability in action: the 1st edition of the Committed Cognac Vineyard Awards on 29 June 2023

(an event co-organised by Terre de Vins in partnership with Le Groupe Sud Ouest & La Charente Libre).

70 applications were reviewed by a jury of 13 experts to award prizes in 4 different categories: Biodiversity, Footprint, Living Together & Collective Initiatives. 2 special prizes were also awarded: the Special "Cognac Ecosystem" Award (which recognizes an actor or a collective within the Cognac industry as a whole for their environmental efforts) as well as the Special "Innovation" Award (which promotes Research & Development or innovation initiatives related to the environment). In total, 18 laureates within the Cognac industry were rewarded for their commitment and environmental initiatives.





Packaging policy which preserves traditional designs, while enabling effective carbon reductions

More than 90% of spirit drinks sold in the EU are packed in glass bottles, a highly sustainable packaging format, particularly considering the high and constantly increasing recycling rates in Europe. Spirits drinks account for a mere 0.8% of all glass bottles on the EU market. As high-strength, high-value drinks, comparatively low volumes of packaging are required to transport high numbers of portions, adding to the structurally favourable environmental profile of our products. While committed to tradition, spirit producers continuously strive for innovation in design and incremental improvements in packaging to meet best-in-class environmental requirements and make packaging as sustainable as possible.

👉 *spiritsEUROPE calls on the co-legislators to support the European Commission's position and to exempt spirit drinks from mandatory re-use targets and avoid overly prescriptive packaging minimisation targets. More than one sustainable transition pathway exists for glass bottles. The new Packaging and Packaging Waste Regulation (PPWR) needs flexibility and openness, rather than rigid one-size-fit-all targets, to reflect that fact.*

Committed to promoting Responsible Drinking in Europe

We are committed to ensuring that our products are consumed and enjoyed responsibly, and we actively engage in targeted prevention campaigns to help minimize alcohol-related harm across Europe. To achieve genuine success and effectiveness, we believe that partnership- and evidence-based approaches work best. We have more than 90 campaigns running across Europe, reaching millions of people each year.⁵

Our tried-and-tested approaches rest on the principles of responsible drinking and informed decision-making. We will continue to champion cooperation among relevant stakeholders and rely on innovative technologies and scientific evidence to shape our state-of-the-art prevention campaigns. By empowering individuals to make responsible choices and raising awareness about the risks of excessive alcohol consumption, we can work together to promote a better and healthier drinking culture in Europe.

👉 *We call on the EU to re-open a regular structured dialogue platform between relevant stakeholders to discuss effective approaches to help promote responsible drinking and discourage excessive consumption.*



⁵ Annual Report on promoting responsible drinking across Europe:

<https://spirits.eu/upload/files/publications/CPAS-032-2023-responsible%20drinking%20initiatives%20report%202023.pdf>



OUR SECTOR IN ACTION:

drinksinitiatives.eu
Driving responsible & sustainable actions,
making a positive contribution to society.

responsibledrinking.eu
Consumer information on spirits drinks



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