TRADE REVIEW 2026

A SPIRIT OF DETERMINATION

spirits EUROPE

A SPIRIT OF PARTNERSHIP

FOREWORD BY CHRISTOPHE HANSEN
European Commissioner
for Agriculture & Food

Spirit drinks are a European story. They are part of our regions, our traditions and our cultural heritage. From Cognac to Irish Whiskey, from Ouzo to Grappa, they reflect centuries of craftsmanship, the diversity of our European Geographical Indications, and the close link between local identity, agriculture, and rural communities. They support jobs and tourism across our regions while being recognised worldwide for their quality, authenticity and diversity. Their ability to reach consumers around the globe is essential for the sector's competitiveness, investment and resilience.

In recent years international trade has become less predictable. Yet, the sector continued to demonstrate its strength, accounting in 2025, for 3% of EU agri-food exports, with €8.2 billion in export value. This resilience is encouraging. It also reminds us why diversification matters to open new opportunities and reduces dependencies to historical markets.

This is why spirit drinks remain an important part of the EU's trade agenda, from Mercosur, and Australia to India, and further work with ASEAN partners, including Malaysia and the Philippines.

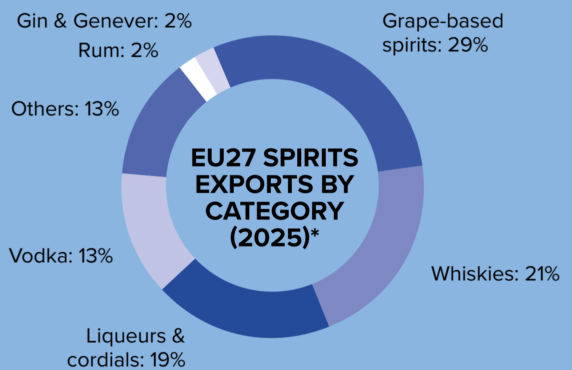
These agreements concretely help reduce or eliminate customs duties, as well as addressing non-tariff barriers and strengthening regulatory cooperation. They also improve transparency and facilitate smoother market access for EU exporters.

Promotion policy and High-Level Missions complement this work. After our high-level trade missions to Japan, Brazil and Thailand, the upcoming mission to Mexico will be another opportunity to promote European excellence.

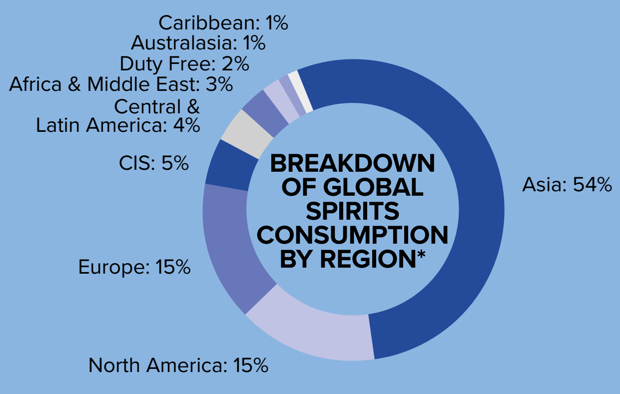
I look forward to continuing this path together with spiritsEUROPE and its new President, Patrick Piana. Europe's spirits sector has strong roots, global appeal and every reason to look ahead with confidence.

EXTERNAL TRADE: A CORNERSTONE OF THE SECTOR'S GLOBAL COMPETITIVENESS

International trade remains critical for European spirits: over 55% of EU spirits exports in value were destined for third countries in 2025. Many of these products are protected by Geographical Indications (GIs), sustaining entire regions and rural communities. An ambitious trade policy, combined with targeted promotion, is key to diversifying markets and strengthening long-term global competitiveness.



Source: Eurostat 2026



Source: SWA – IWSR Drinks Market Analysis 2026

* Percentage in value

TRADE, A PILLAR OF EU SPIRITS' COMPETITIVENESS

2025 was marked by an increasingly unpredictable and volatile trade environment for EU spirits producers, as geopolitical tensions and economic headwinds have weighed on consumer confidence and purchasing power across key markets. The sector's two main export pillars, the United States and China, have been particularly affected by these developments, contributing to a more challenging trading context. Against this backdrop, export growth has been increasingly driven by emerging markets, including in particular India and Sub-Saharan Africa, which are playing a growing role in supporting the sector's diversification and overall competitiveness.

EU SPIRITS EXPORTS IN 2025

€8.26 billion

OVER THE LAST DECADE

EXPORTS GREW BY 30%

-6%

Between 2024 and 2025

Source: Eurostat 2026

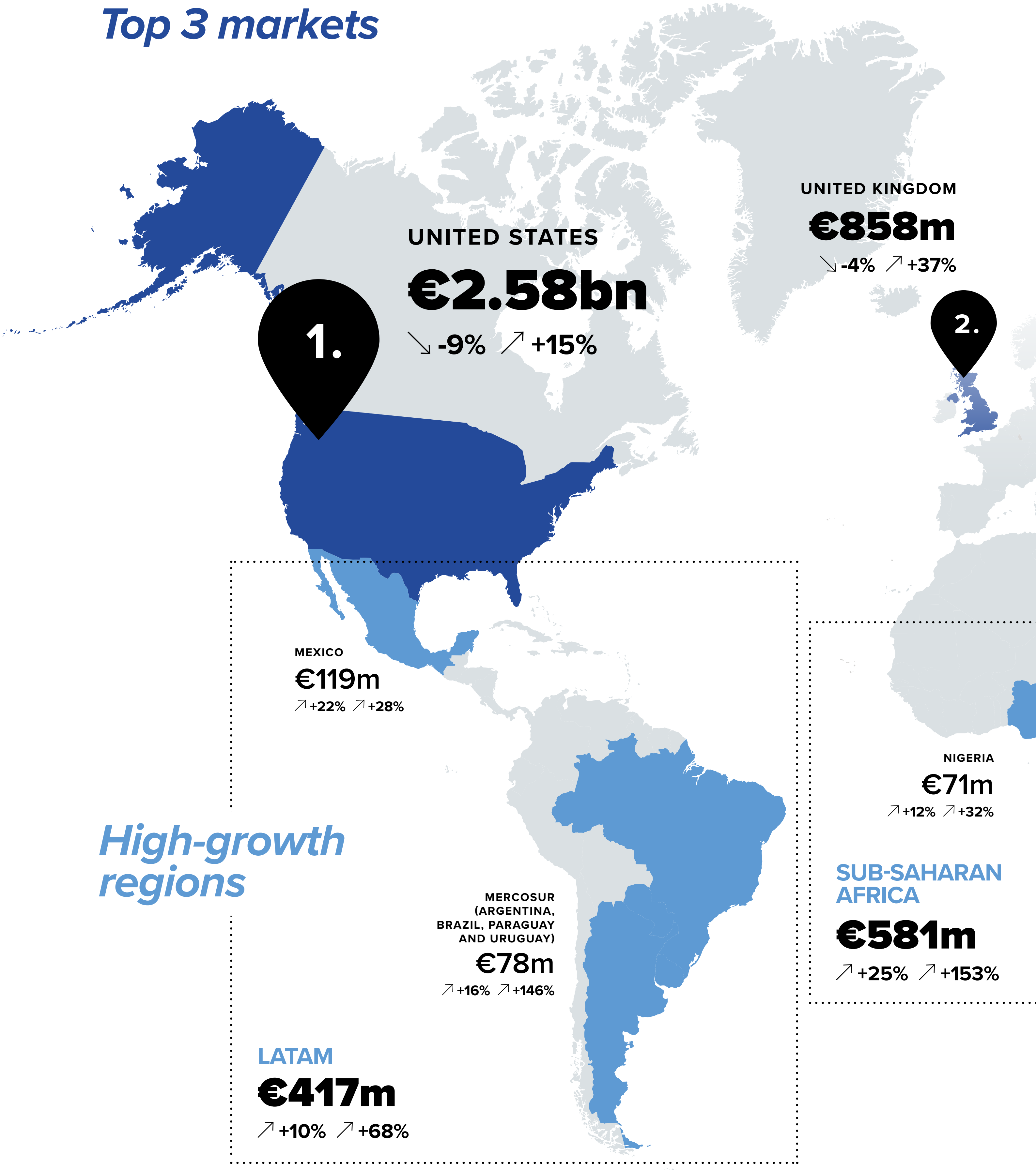
A challenging macroeconomic environment, coupled with ongoing geopolitical uncertainty and disruptions to global trade, have created headwinds in key markets and tested the resilience of Europe's spirits sector. Yet our sector continues to demonstrate the strength and adaptability that have long underpinned its success.

Few industries embody Europe's strengths and values as clearly as the spirits sector. Our iconic products reflect centuries of craftsmanship, agricultural traditions, regional identity and cultural heritage, while our capacity to innovate ensures they continue to meet the expectations of consumers around the world. In doing so, we contribute to Europe's competitiveness, generate exports, support economic growth and sustain jobs and communities across the continent, while creating genuine moments of conviviality and human connection for consumers around the world.

As Europe looks to strengthen its competitiveness, trade policy must enable sectors that already deliver value and growth. For the spirits sector, this means above all preserving stable and predictable trading relationships with our established partners. Ambitious Free Trade Agreements with high-growth potential markets should continue to be pursued, yet without overlooking the decades of investments and deep commercial ties in established trading relations that cannot be replaced overnight. Deeper regulatory cooperation with third countries, the full removal of unnecessary trade barriers and stronger promotion and protection of European products abroad are key to unlocking the next phase of sustainable growth for our sector and reinforcing Europe's global leadership.

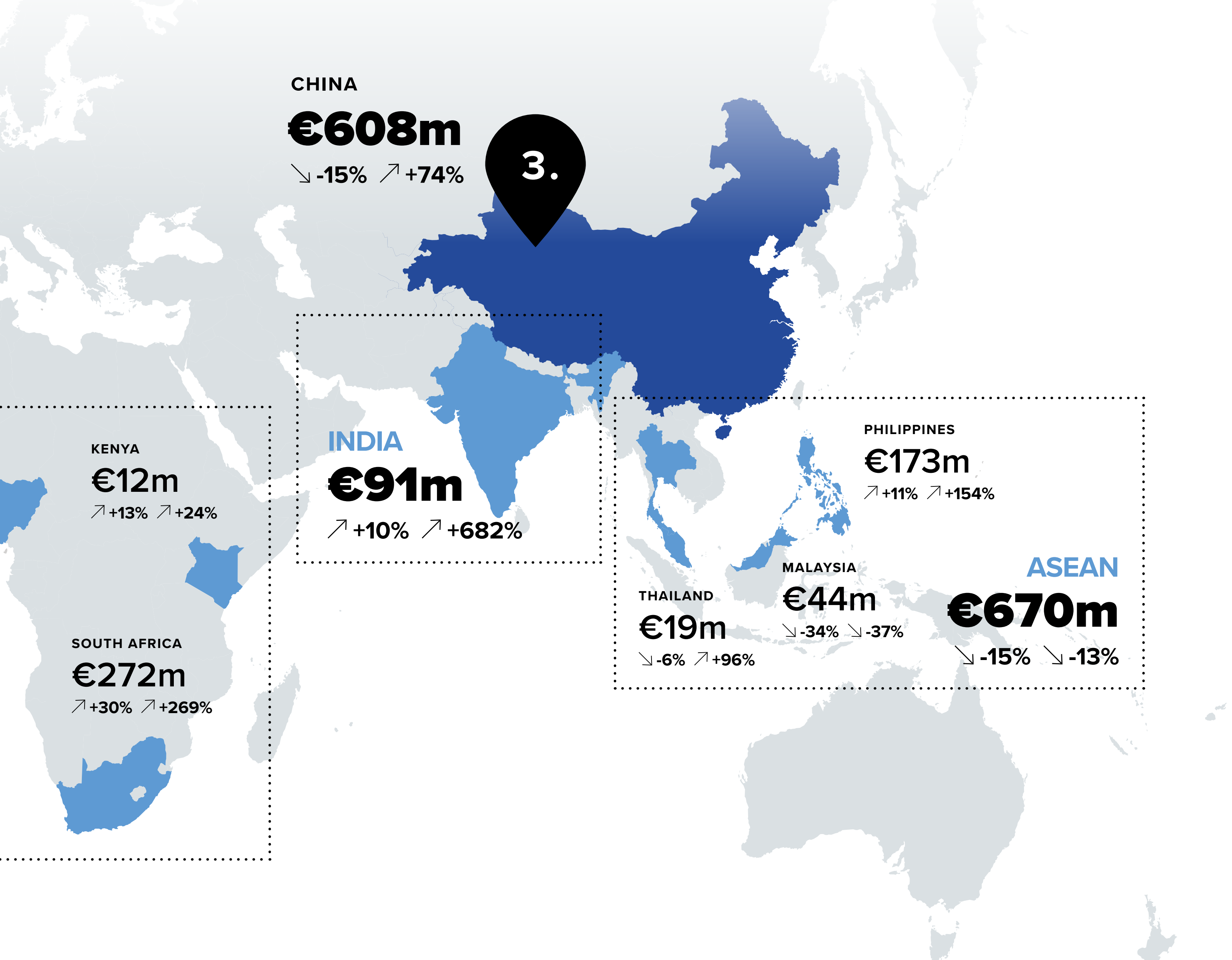
PATRICK PIANA
President of spiritsEUROPE and Managing Director Europe at Campari Group

KEY EU SPIRITS EXPORTS MARKETS ACROSS THE WORLD



"For Irish Whiskey producers, diversification is no longer simply an opportunity, it is a strategic necessity. Recent trade disruptions have highlighted the importance of building a broader and more resilient export footprint. The EU's trade agenda has a key role to play by securing ambitious agreements that open access to high-growth markets across Asia-Pacific, Africa and the Middle East. By reducing tariffs, addressing non-tariff barriers and strengthening the protection of geographical indications, EU trade agreements help ensure Irish Whiskey producers compete on a level playing field, continue our expansion worldwide, and unlock sustainable growth in emerging markets for years to come".

EOIN Ó CATHÁIN
Director of the Irish Whiskey Association



Overall exports sales in million

↗ 1 YR TREND (2024-2025) ↗ 10 YR TREND (2015-2025)

Source: Eurostat 2025

SPIRITS EXPORTS: AN ENGINE OF GROWTH FOR RURAL COMMUNITIES

The EU spirits sector, a high-value, export-driven sector, exemplifies how external trade can bolster EU agri-food production in a competitive world. With strict quality standards and 250 registered Geographical Indications (GIs), which reflect Europe's rich traditions and cultural diversity, EU spirits remain highly sought after both domestically and internationally. GI spirits are one of the tried and tested tools in the agri-food chain that have, time and again, shown to deliver significant added value to rural communities and fair, long-term contracts to upstream producers. This success greatly benefits farmers who supply essential ingredients, from cereals, fruits and botanicals to beetroot, potatoes and cream, and supports rural communities where the majority of European spirits production is located.

"More than 10% of all the wheat grown in Skåne (Sweden) goes into the production of Absolut Vodka, including 100% of my wheat production. I am proud because Absolut Vodka is Sweden's largest single export product in the food and beverage sector."

ERIK BÆKSTED JØRGENSEN
General Manager of the Råbelöf Gods farm.
The farm is owned by the Murray family. Today, John Murray and his family are the 35th generation on the farm since 1408.

Spirits are produced across all EU Member States, with most distilleries located in rural, often remote, areas. The sector is deeply integrated with local agriculture, forming long-standing partnerships with farmers to ensure a reliable supply of high-quality raw materials.

The global fame and reputation of EU spirits helps boost spirits tourism, which promotes and revitalises rural communities in many regions of Europe. Spirits tourism attracts over 6 million visitors in Europe annually.

1 JOB
created in the European spirits sector

supports
6 JOBS
in upstream sectors, including agriculture

EVERY YEAR

4 MILLION TONNES
of agricultural produce in France

1.32 MILLION TONNES
of cereals in Poland are used in spirits production

TOWARDS AN EU GI ACTION PLAN IN 2027

spiritsEUROPE warmly welcomes the announcement by Agriculture Commissioner Christophe Hansen of an EU Geographical Indications (GIs) Action Plan to be presented in 2027. We call on the European Commission to pay particular attention to the international dimension of EU GIs and to prioritise the following actions:

1. Strengthen the EU's leadership in the international promotion of the GI system.
2. Ensure the systematic inclusion and expansion of protected spirits GIs in EU trade agreements.
3. Reinforce international cooperation on the enforcement of GI protection and the fight against GI infringements.

STRENGTHENING GLOBAL COMPETITIVENESS THROUGH TRADE PROMOTION AND ECONOMIC DIPLOMACY

The EU Promotion Policy, including High-Level Missions (HLMs), provides valuable support to producers of GI products, helping them navigate foreign markets, build local contacts, and develop export opportunities, while deepening political and regulatory dialogue with trade partners. We urge the EU to maintain an ambitious, well-funded promotion policy and call on the Commission to expand the use of trade missions at both high and technical levels, to improve market access for EU agri-food products.

EU AGRI HIGH-LEVEL MISSION TO BRAZIL – OCTOBER 2025

spiritsEUROPE took part in an EU high-level mission to Brazil in October 2025, led by Commissioner Hansen. The mission was particularly timely in the context of the EU-Mercosur Agreement. It highlighted the importance of its effective implementation and of fully leveraging its benefits, including tariff reductions, GI protection, and enhanced regulatory cooperation through the Wine and Spirits Committee.

The mission brought together EU and Brazilian officials, importers, retailers, hospitality representatives, and a delegation of EU businesses. It provided insights into Brazil's growing demand for premium products, as well as market, distribution, and regulatory trends. The spiritsEUROPE delegation met with Brazilian ministries and agencies (MAPA and ANVISA), European chambers of commerce, and Brazilian producers. A market access roundtable hosted by the EU Delegation, with Member States and industry representatives, complemented the programme.

Overall, the mission reaffirmed the strong potential for long-term growth and diversification in the Brazilian market, and the shared commitment to making full use of the EU-Mercosur Agreement to deliver tangible benefits for producers and supply chains on both sides.

EU AGRI HIGH-LEVEL MISSION TO THAILAND – MAY 2026

In May 2026, spiritsEUROPE joined an EU business delegation led by Commissioner Hansen in Thailand. The mission took place at a pivotal moment in negotiations for an EU-Thailand FTA, which could generate tangible opportunities for European spirits producers through improved market access, GI protection and enhanced regulatory cooperation. It formed part of a broader spiritsEUROPE mission to Southeast Asia, with visits to Malaysia, Thailand and Vietnam to engage with policymakers, regulators, EU representatives and local industry partners.

The spiritsEUROPE delegation met with Thai authorities, the EU Delegation, Member States and local business representatives to discuss opportunities offered by the Thai market, current regulatory developments and priorities for improving market access. Participation in THAIFEX-Anuga Asia under the EU pavilion showcased the quality and diversity of European spirits and the sector's capacity to respond to evolving consumer trends. Overall, the mission confirmed Thailand's strong potential as a growth market for European spirits and reaffirmed spiritsEUROPE's support for an ambitious EU-Thailand agreement that delivers tangible benefits for producers and consumers on both sides.

EU-US SPIRITS: A UNIQUE BOND

The European Union and the United States share one of the world's closest and most successful trading relationships in spirits. For decades, the Zero-for-Zero Agreement helped bilateral trade grow by more than 450%, creating a thriving transatlantic marketplace that benefited producers, farmers, distributors, hospitality businesses and consumers on both sides of the Atlantic.

This success has fostered deep commercial ties and sustained investment. European spirits companies have invested in production facilities across the US, including American Whiskey, while many US spirits companies own distilleries throughout the EU, producing distinctive regional spirits. Integrated value chains further illustrate this partnership, with the supply of used American Whiskey casks playing an essential role in the production of many European whiskies.

Over time, the EU and the US have become each other's most important spirits markets, supporting in the process thousands of businesses across the value chain, from farmers and producers, to wholesalers, retailers, bars and restaurants, on both sides of the Atlantic. It is a trade relationship defined not only by scale, but by complementarity, shared growth, know-how and culture, and deeply embedded economic links.

RESTORING CERTAINTY IN TRANSATLANTIC TRADE

Transatlantic trade faced significant volatility in 2025, as tariff threats and uncertainty weighed heavily on producers, farmers and the hospitality sector. The Turnberry agreement marked an important step towards restoring predictability by providing a stable framework for EU-US trade and demonstrating a shared commitment to constructive engagement.

As implementation of the agreement progresses, it is essential that both sides continue to fully honour their commitments and avoid escalation. Preserving stability and ensuring a predictable trading environment are critical for business confidence, investment and long-term growth across the transatlantic spirits sector. As both sides committed to consider additional products for Most Favoured Nation (MFN) treatment, European spirits should be a clear priority. Restoring zero tariffs would build on a proven model that has strengthened transatlantic trade and investment for nearly three decades.

THE CASE FOR A SHARED TRANSATLANTIC AGENDA ON SPIRITS

Looking ahead, the EU and the United States should also deepen their strategic cooperation on spirits through a dedicated Working Committee on Trade in Spirits. Such a forum would provide a platform to strengthen regulatory dialogue, promote cooperation in third-country markets, and enhance coordination in international fora, such as the WTO and the Codex Alimentarius Commission. By advancing common approaches to international standards and market access, the EU and the US can reinforce their global leadership while supporting a more competitive and resilient spirits sector on both sides of the Atlantic.

EU SPIRITS AND CHINA: REBUILDING A STRATEGIC PARTNERSHIP

China is a long-standing and strategic trade partner for EU spirits and the world's largest spirits market – still largely dominated by domestic production (98.5%). Geographical indications such as Cognac have a deep-rooted presence in China, dating back to the 19th century, reflecting a long-standing commitment to the market.

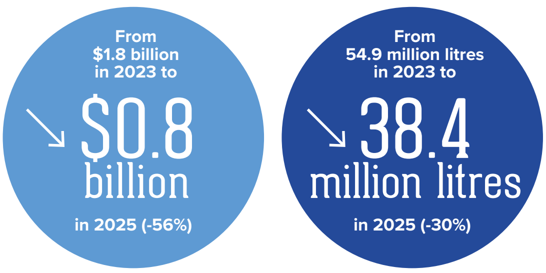
However, over the past two years, Chinese imports of EU spirits have fallen by more than 50% in value. This reflects weaker consumer spending, reduced demand for ultra-premium spirits, and the impact of anti-dumping measures on EU brandies imposed in the context of an unrelated trade dispute. Against an already difficult economic backdrop, these measures have had a particularly severe impact on EU spirits exporters, farmers and winegrowers.

EU spirits are focused on rebuilding their position in China, by re-establishing commercial links, and strengthening long-standing partnerships with Chinese counterparts.
To enable this recovery, EU spirits call for the full removal of anti-dumping measures on brandy, in order to restore fair and normal market conditions for trade in spirits and allow the sector to operate on a stable and predictable basis. At the same time, EU spirits underline the importance of a balanced and constructive EU-China relationship, grounded in dialogue and mutual engagement.

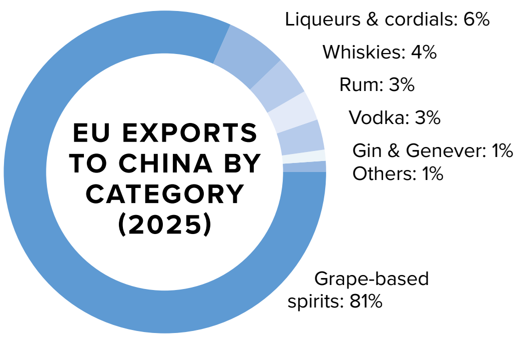
"The ties between our products and Chinese consumers are long-standing and strong. The EU–China regulatory dialogue and our cooperation initiatives with associations and public authorities, such as the 8th EU–China Working Group on Alcoholic Beverages held in Yinchuan in May 2026, are examples of constructive engagement that should serve as a model internationally. Yet, one year after the anti-dumping measures entered into force and more than two years after the investigation was launched, our sectors continue to bear the unjustified consequences of a trade dispute and broader issues that are entirely unrelated to them. The impacts are being felt deeply in the heart of our rural communities, affecting both Cognac houses and winegrowers. Until normal market access conditions are restored, we support the creation of a "solidarity mechanism" that would provide support for sectors affected by retaliatory trade measures, including ours."

RAPHAËL DELPECH
Managing Director of the Bureau National Interprofessionnel du Cognac (BNIC)

CHINESE IMPORTS OF EU SPIRITS



Source: Chinese Customs (GACC) 2026



Source: Eurostat 2026

EU-CHINA WORKING GROUP ON ALCOHOLIC BEVERAGES

Following the decision reached at the 2023 EU-China High-Level Trade & Economic Dialogue to relaunch the EU-China Alcoholic Beverages Working Group, the Working Group met three times in Spring 2024, 2025 & 2026, under the joint leadership of the General Customs Administration of China (GACC) & DG AGRI. The Working Group provides a fantastic platform to discuss regulatory cooperation and standards, sustainability objectives in the wine and spirits sectors, cooperation in the fight against counterfeiting and Geographical Indications promotion. The WG also allows the wine & spirits sectors on both sides to exchange best practices, deepen their understanding of both regulatory and market landscapes, and identify areas for closer cooperation.

In an increasingly uncertain world, companies need greater options to strengthen resilience and economic security, and protect themselves against geopolitical tensions and economic volatility. It is therefore essential that ambitious trade agreements already negotiated are fully implemented without delay, and that those concluded are ratified as a matter of priority – starting with the EU's two most significant agreements in scale to date, the EU-India FTA and the EU-Mercosur Agreement.

EU-INDIA FTA: A GENUINE GAME CHANGER

The EU-India FTA can be a genuine game changer for EU spirits, representing a major step forward in access to one of the world's largest and fastest-growing spirits markets. India's scale and growth potential make this agreement particularly significant for EU producers seeking to diversify exports and strengthen long-term competitiveness.

At the same time, the agreement will bring the EU and India closer together, strengthening economic ties and supporting investment and value creation in both regions. It builds on the already established presence of EU spirits companies in India, including local bottling operations and distilleries, and will further encourage long-term partnerships, skills development, and cooperation on the ground.

The agreement delivers a step change in market access:

> tariffs reduction for EU spirits, from 150% to 40% through a phased approach, including an immediate halving upon entry into force, which will significantly improve the competitiveness of EU products and support greater consumer choice.

> a dedicated EU-India Wine and Spirits Working Group, providing a structured platform for regulatory dialogue, improved cooperation, and the resolution of market access barriers.

Turning this political breakthrough into reality without delay will be key to unlocking its full potential for growth, investment, and jobs across the value chain in both the EU and India.

EU-MERCOSUR AGREEMENT: TURNING OPPORTUNITY INTO MUTUAL GROWTH

The EU-Mercosur Agreement marks a landmark step in strengthening trade relations between the two regions and opening new opportunities for European spirits in a growing and complementary market. The benefits will be mutual, with improved market access and protection for spirits GIs like Cachaça on the Mercosur side.

The agreement offers a combination of benefits for the spirits sector, including the elimination of tariffs, stronger protection of geographical indications, and a dedicated framework for regulatory cooperation through its wine and spirits annex and related committee.

Beyond market access, the agreement creates a foundation for mutual benefits, supporting investment and consumer choice, and reinforcing long-term cooperation between two regions with strong and complementary spirits traditions.

Swift ratification is essential to secure these gains and ensure they continue beyond provisional application, for the benefit of producers, all actors in the value chain and consumers in both regions.

"At Zamora Company, producer of iconic brands such as Licor 43 and Villa Massa Liquore di Limone di Sorrento PGI, we see significant growth opportunities in both Mercosur and India, two dynamic and increasingly important markets for premium spirits. The EU-Mercosur Agreement and the EU-India FTA, once ratified and in force, are welcome developments that will strengthen trade relations and unlock new opportunities for European spirits exporters. Beyond the elimination of tariffs in Mercosur and the progressive reduction of duties in India, the effective implementation of these agreements will be essential to fully realise their benefits. This includes making full use of the bilateral wines and spirits working groups established under the agreements, which play a key role in enhancing dialogue and addressing the market access barriers that exporters continue to face in these markets."

JAVIER DE LA VIUDA
Global Operations Director, Zamora Company

ASEAN: A STRATEGIC PARTNER & KEY PILLAR OF DIVERSIFICATION

The ASEAN region is already a key area of focus for European spirits exports, with total direct exports reaching €670 million in 2025. Two ASEAN countries—Singapore, a regional hub for South-East Asia and the Far East, and the Philippines—rank among the top 10 export markets. However, significant potential across the wider region remains largely untapped due to high tariffs and challenging tax and regulatory environments.

To unlock this potential, the EU must conclude ongoing trade negotiations with the Philippines, Thailand and Malaysia, securing ambitious outcomes for European spirits exporters. Time is of the essence, as several major trading partners, including the UK, Australia, China, Japan and, soon, the US, have already secured preferential access through bilateral or regional agreements such as the CPTPP. These agreements must therefore deliver full tariff elimination as a priority, alongside meaningful reductions in non-tariff barriers, to ensure their objectives are fully achieved in practice.

Experience in existing agreements also shows that tariff reduction alone is not sufficient if regulatory and fiscal environments remain challenging, as illustrated by developments in Vietnam, where EU spirits sales have declined significantly in recent years (-45% in retail sales between 2015 & 2024 according to IWSR) despite the EVFTA, in a context of rising taxation and high competition from illicit alcohol.

SHARE OF EU EXPORTS TO ASEAN MARKETS
(export value 2026)

		%
1. SINGAPORE*	€417m	62%
2. PHILIPPINES	€172.5m	26%
3. MALAYSIA	€44.2m	6.5%
4. THAILAND	€18.7m	3%
5. VIETNAM	€10.2m	1.5%
OTHERS (Indonesia, Laos, Brunei, Myanmar)	€7m	1%

Source: Eurostat 2026

*** The Singapore hub is the cornerstone of our supply chain model. We welcome the Commission's efforts to ensure that rules of origin allow for the use of regional hubs that provide for economies of scale – while retaining the eligibility for the preferential tariffs agreed in FTAs.**

EU-CPTPP COOPERATION

spiritsEUROPE strongly welcomes the launch of the Trade and Investment Dialogue between the EU and CPTPP members. In an increasingly challenging global trade environment, closer cooperation between two like-minded blocs is essential to uphold and strengthen rules-based trade. With major spirits-producing countries represented on both sides, there is clear potential to further facilitate trade through enhanced regulatory cooperation, building on the CPTPP Wine and Distilled Spirits Annex.

MALAYSIA
> Need to close the gap with CPTPP members, by removing high tariffs
> Regulatory cooperation & provisions are essential to address high NTBs.

THAILAND
> Imported products only represent 2.4% of consumption in volume
> Need to eliminate high tariffs (54 to 60%) on EU spirits
> Addressing the challenging local tax and regulatory environment is a must

THE PHILIPPINES
> Imported products represent 12.4% of consumption in volume
> The Philippines are already a key market for EU spirits (8th in 2025)
> Tariff elimination from entry into force of the FTA is a must

SUB-SAHARAN AFRICA

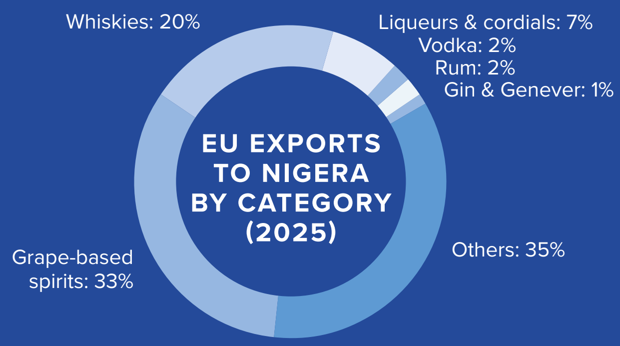
Over the past years, European spirits producers have significantly increased their trade and investment footprint in Sub-Saharan Africa. The region was one of the few to record double digit growth in EU spirits exports last year. Yet significant untapped potential remains: imported spirits still account for only a minority share of overall consumption across most markets. In Nigeria, for example, EU spirits represent just 10% of consumption by value and 1.2% by volume.

To develop a closer partnership with the continent, the right trade and investment conditions need to be in place. To this end, we urge the EU to focus on:

1. More ambitious Economic Partnership Agreements (EPAs) leading to tariff elimination for EU spirits
2. Stronger regulatory cooperation to improve the ease of doing business
3. Fighting illicit trade, not least through the AfrIPI project

FOCUS ON NIGERIA

Within the region, Nigeria is EU spirits' second-largest market after South Africa, with consumption driven by its growing population and rising urbanisation. In the longer term, Nigeria's demographic scale makes it a potentially major global market for EU spirits, provided macroeconomic stability and necessary reforms – including to remove persistent trade barriers – can be secured.



Source: Eurostat 2026

In the absence of near-term prospects for an EPA, the EU-Nigeria Trade and Investment Dialogue (TID) is a welcome development. It provides a valuable platform for regulatory cooperation and capacity building, particularly on taxation, illicit trade and geographical indications, as well as for addressing market access barriers such as product registration and spirits standards.

TRADE RELATIONS WITH THE MIDDLE EAST

Whilst fully respecting religious and cultural sensitivities and strict controls on alcohol consumption, the Gulf Cooperation Council (GCC) countries present growing opportunities for spirits, driven by tourism, hospitality and expat demand. Spirits are the second most consumed alcoholic beverage category in the region, with EU spirits exports reaching approximately €171 million in 2025.

Against this backdrop, we call on the European Commission to secure an ambitious outcome in the ongoing FTA negotiations with the United Arab Emirates, including tariff reductions and strong protection for key EU spirits geographical indications, in order to facilitate export growth and improve market access for EU producers.

STRENGTHENING TRADE RELATIONS WITH ESTABLISHED PARTNERS

The United Kingdom, Canada and Australia are established, high-value markets for EU spirits exports. While differing in scale, all three remain structurally important mature markets where trade conditions have direct commercial impact. Beyond preserving strong bilateral trade, the EU should deepen cooperation with these partners to remove remaining market access barriers and work together to tackle common challenges in other markets and at global level.

UNITED KINGDOM

The EU and the United Kingdom share centuries of spirits production and deeply integrated supply chains. In 2025, the UK became the EU spirits sector's second-largest export market, with direct exports reaching nearly €860 million.

The sectors on both sides of the Channel are closely interconnected through investment, production and longstanding commercial partnerships. We call on the EU to further strengthen cooperation with the UK to tackle global trade challenges, secure better market access conditions in third countries, promote high products & traceability standards, and reinforce the protection of spirits GIs.

AUSTRALIA

Australia has long ranked among the EU spirits sector's top 15 export markets, with exports exceeding €150 million in 2025. Many EU spirits, including Irish Whiskey, have recorded strong growth in recent years.

We welcome the successful conclusion of the EU-Australia FTA negotiations, which will finally place EU spirits producers on an equal footing with competitors already benefiting from tariff-free access. Australia's commitment to introduce an EU-style system for the protection of geographical indications is a landmark achievement that will protect 231 EU spirits GIs upon the agreement's entry into force.

We now call on both parties to complete ratification swiftly so that businesses can begin benefiting from the agreement as soon as possible.

CANADA

With almost €240 million in exports in 2025, Canada remains one of the EU spirits sector's top 10 export markets and is particularly important for SMEs. The European spirits sector continues to be a strong supporter of the EU-Canada CETA and calls on all Member States to complete its ratification without delay.

However, certain barriers and practices at provincial level continue to affect market access, notably through the provision by some provincial liquor boards of reduced mark-ups and other commercial advantages exclusively to in-province small distillers. The European Commission should continue engaging with provincial authorities to seek greater transparency on mark-ups, promote the reduction of inter-provincial barriers to the benefit of both Canadian and EU producers, and address remaining elements of differential treatment. In this context, any further development or opening of sales channels for spirits should ensure fair and non-discriminatory access for all producers, including EU operators.

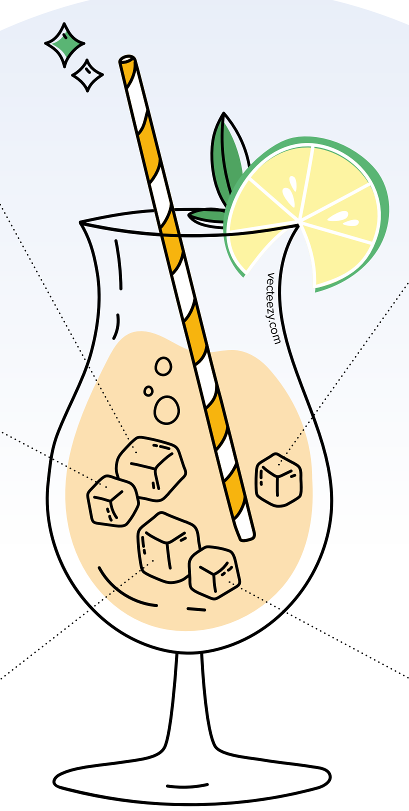
REMOVING NON-TARIFF BARRIERS THROUGH REGULATORY COOPERATION & MULTILATERAL ENGAGEMENT

Non-tariff barriers can present significant obstacles for EU spirits when exporting to third countries: the role of the EU is critical in addressing these barriers – either through relevant WTO committees or bilaterally.

Discriminatory taxation: European spirits face national excise tax systems favouring domestic products, violating GATT Article III (e.g., Thailand, Indonesia, Costa Rica, Peru, Türkiye).

Poor IP protection: Due to their success, European brands and GIs suffer from imitations and knockoffs which undermine their reputation and unfairly compete with legitimate products.

Complex & costly customs procedures: Excessive certification and documentation requirements, high levels of customs fees, and poor regulatory transparency increase the transaction costs for doing business internationally.



Technical Barriers to Trade (TBTs): Restrictive rules and standards, overly prescriptive and cumbersome labelling & packaging provisions, or discriminatory technical requirements can act as significant barriers to trade, especially for SMEs.

Defacement of lot codes: Lot codes are traceability and food safety tools, which allow operators to conduct timely recalls if needed. Unscrupulous operators take advantage of weak penalties or the absence of legal protection to temper with lot codes (e.g., to refill empty bottles with counterfeit liquid), impeding timely recalls.

DEEPENING REGULATORY COOPERATION TO REMOVE & PREVENT TRADE BARRIERS

The EU should deepen bilateral regulatory cooperation with key trading partners to remove existing barriers, prevent new ones from emerging and provide greater regulatory predictability for exporters. The launch of the EU-Nigeria Trade and Investment Dialogue and the resumption of the EU-China Working Group on Alcoholic Beverages are welcome examples that should be replicated with other strategic partners where FTA negotiations are not an option in the short to medium term.

The EU should also strengthen cooperation with like-minded partners to address barriers in third countries. Coordinated engagement through international fora such as the WTO TBT Committee, as well as closer cooperation between EU Delegations and like-minded embassies on the ground, can increase the effectiveness of efforts to resolve market access concerns.

Our sector stands ready to contribute to these workstreams by providing expertise, facilitating field & study visits and through our global industry network, the World Spirits Alliance (WSA).

REINFORCING THE EU'S MARKET ACCESS PARTNERSHIP MECHANISM

spiritsEUROPE values the EU's market access partnership mechanism and the opportunities for exchanges with the Commission, EU Delegations and member states that it offers. The growing numbers of barriers, together with the need to enforce more robustly commitments made by third countries, have greatly increased the relevance of the Market Access Advisory Committee (MAAC) & its dedicated WGs. The Commission, Member States and industry should reinforce the market access partnership mechanism by:

> Reinforcing links between the Trade Policy Committee & the MAAC.
> Increasing coordination of input ahead of relevant WTO and bi-lateral meetings with trade partners.
> Strengthening links with EU delegations abroad.
> Setting up a dedicated Market Access Team (MAT) in China and reviving the MATs in Canada, India and Brazil.

THE ROLE OF OECD ACCESSIONS TO IMPROVE MARKET ACCESS FOR EU EXPORTERS

OECD accession processes offer an opportunity for the EU to leverage pro-market reforms in OECD accession countries and seek resolution of long-standing market access barriers. For instance, the accession of Colombia provided a pathway to remove the longstanding tax discrimination that was in place in the spirits sector in Colombia. Accession processes for Peru, Brazil, Argentina, Indonesia and Thailand are providing opportunities to address similar trade-related obstacles and concerns and to encourage pro-market reforms.

MULTILATERALISM: PROTECTING & REFORMING GLOBAL TRADE'S ESSENTIAL SAFETY NET

The WTO is the protector of a fair and predictable global trading system and provides a safety net which we value greatly. We are therefore eager to see the WTO protected and reformed, so that it may continue to support international trade and remain relevant in today's volatile world. The reform of the dispute settlement system is essential, to ensure that the WTO remains the guarantor of the proper implementation of global trade rules. The WTO agenda should also be reviewed to ensure that pressing topics, such as trade and environment, or illicit trade, are appropriately covered, and to secure its continued relevance. Finally, cooperation with business should be reinforced.

THE ROLE OF THE WTO IN INCREASING TRANSPARENCY AND REDUCING NON-TARIFF TRADE BARRIERS

The WTO transparency and monitoring functions, as well as related committees and notification systems, are of critical importance to increase transparency and predictability for traders. We particularly value the TBT and SPS committees, the Trade Policy Reviews and the e-Ping platform and notification system, which we use daily to keep up to date with regulatory changes that affect our members and to support companies in their compliance efforts. Crucially, notifications allow traders to assess the impact of proposed measures before adoption and to share recommendations based on their practical experience, via their WTO members. This process leads to better policy-making and helps minimise trade disruptions. Greater efforts are needed to increase the frequency of notifications and to increase transparency by encouraging countries to notify the final version of a text or standard. The exchange of best practices, not least with the private sector, and discussions on emerging topics such as digital labelling should also be encouraged as part of TBT & SPS committee thematic sessions.

€8 258 556 054

Export sales outside EU

€25.3 billion

Generated through VAT & Excise (EU+)*

1.2 million

EU JOBS IN PRODUCTION AND SALES IN EU+*

31

NATIONAL ASSOCIATIONS

11

LEADING INTERNATIONAL COMPANIES

1 *Strong Common Network!*

* EU+ = UK, Norway and Switzerland

spirits EUROPE

rue Belliard 12, 1040 Brussels • info@spirits.eu

WWW.SPIRITS.EU

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