

CEEV MANIFESTO

ON THE FUTURE OF THE EU WINE SECTOR



MAY 2024



INTRODUCTION

The European Union is the house of wine: it is the biggest vineyard of the world, producing 64% of the global wine which represents 70% of the world's value. It is the first wine exporter and with 35% of the total world sales value sold in the EU, it is also the main consumption market

With a market value of €100 billion in the EU, the wine sector is composed at 99% by micro-, small- and medium-size companies, whose activities contribute with €130 billion to the EU GDP and had a positive fiscal impact of €52 billion in 2022. And with almost 3 million jobs, the wine sector plays a fundamental role in the socio-economic sustainability of rural areas of the EU - a blessing against rural depopulation.

On top of this direct economic contribution, the EU wine regions are part of our cultural heritage, promoting a deep sense of tradition and connection to the land.

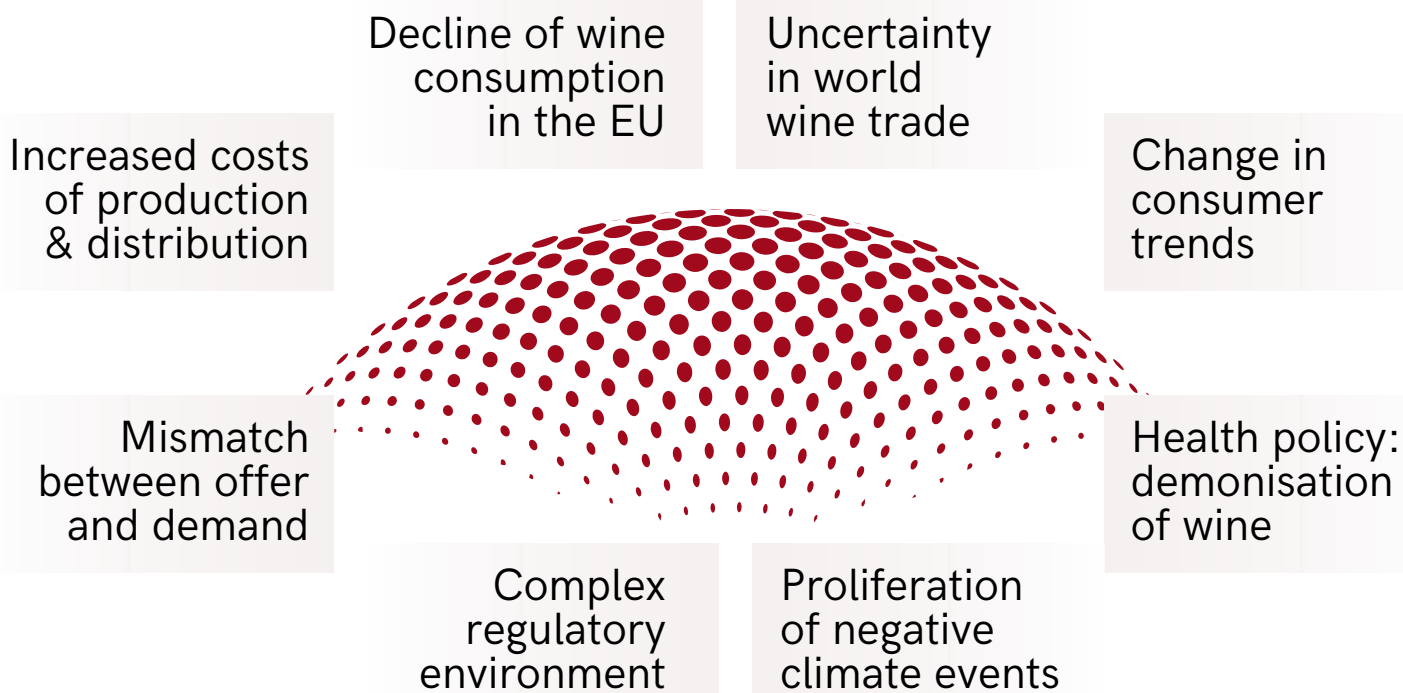
The wine sector is definitely engaged in sustainability and has been actively contributing to rural development and to the preservation of the environment in many ways.

The EU wine sector is mainly regulated by the wine Common Market Organisation (CMO) included in the Common Agricultural Policy (CAP). Since the 2008 reform, the wine CMO aims at making EU wine producers even more competitive by making the market-management rules simpler, clearer and more effective, while preserving the best traditions of EU winegrowing and boosting its social and environmental role in rural areas.

This specific-to-wine approach has demonstrated its value by enhancing EU wines global competitiveness and boosting EU wine exports: from €3.9 billion exports in 2004/2005 to €17.9 billion in 2022/2023, resulting in a €15.9 billion positive trade balance

However, in the last years, the number of challenges at social, economic, climatic diplomatic and political levels has increased. These changes, some structural other conjunctural, have put in danger the long-term sustainability of wine companies. To meet these challenges and support the delicate EU wine success story, it will be needed to further adapt the complex legal framework that applies to wine, while preserving the wine culture.

EU WINE SECTOR CHALLENGES



EU WINE SECTOR PRIORITIES & NEEDS



EU WINE SECTOR CHALLENGES

The EU wine industry is facing a set of challenges* that are putting at risk its long-term sustainability:

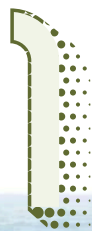
- ... **INCREASED COSTS OF PRODUCTION AND DISTRIBUTION**
Due to higher prices of glass, energy, transport (including freight) and labour.
- ... **DECLINE OF WINE CONSUMPTION IN THE EU**
Due to a decreasing consumption of wine in traditional producing countries, which have been in structural decline for decades.
- ... **UNCERTAINTY IN WORLD WINE TRADE, ESPECIALLY IN KEY EXPORT MARKETS**
Due to the long-term structural decline of wine in traditional markets, global disruption of trade exchanges caused by geopolitical disputes, and to wine products being subject to retaliation for trade conflicts in unrelated sectors.
- ... **CHANGE IN CONSUMER TRENDS**
Wine products relying increasingly on older drinkers, while young adult consumers tend to favour other product categories.
- ... **MISMATCH BETWEEN OFFER AND DEMAND FOR CERTAIN PRODUCTS AND REGIONS**
Younger populations' preferring white and sparkling wine, which creates market tensions in regions and companies producing mainly red, sweet or special wines.
- ... **PROLIFERATION OF NEGATIVE CLIMATIC EVENTS**
Rising temperatures and increasingly frequent extreme weather events affecting harvest times, crop sizes and grape quality.
- ... **COMPLEX AND BURDENSOME REGULATORY ENVIRONMENT**
National legislation affecting the functioning of the EU Single Market and red-tape or administrative complexity in several fields, such as promotion programs and distance selling.
- ... **DEMONISATION OF WINE IN HEALTH POLICY**
Growing temperance movement emerging over the last years to demonise alcoholic beverages.



* Scan or [click here](#) to learn more about the challenges faced by the EU wine sector.

EU WINE SECTOR PRIORITIES & NEEDS

To meet the challenges the EU wine sector is facing and secure, in the long term, a healthy, sustainable, competitive and vibrant wine economy, CEEV has identified 6 priorities and needs for the next European Commission and European Parliament mandate:



A market-oriented CAP supporting the competitiveness of wine companies

The general focus on markets and competitiveness included in the 2008 wine Common Market Organisation (CMO) reform remains valid. The CAP should allow the EU wine sector to adapt more easily its production and products to market orientations and to support the competitiveness of EU wine companies in the global wine market.

To do so, it is necessary to:

- ... Maintain the Wine National Support Program (NSP) with adapted-to-wine measures and reinforce its budget.
- ... Further harmonise the rules at EU level for the management of the Wine National Support Program.
- ... Simplify the administrative management of the promotion measure, including by removing the duration limit for consolidated activities.
- ... Include specific support, under the NSP, for the development of oenotourism activities.
- ... Reinforce the investment measure to better support the development of innovative products.
- ... Avoid the use of EU support to grab up vineyards.
- ... Not provide support to disproportionate production systems aimed at reaching a yield per hectare that is incompatible with quality. On the contrary, specific measure to support old vineyards and cultivation under extreme conditions or in Less Favoured Areas (LFA) should also be granted.

2

Reconcile the protection of a traditional product with the innovation needed to meet consumers' expectations

The long-term sustainability of wine depends on the capacity to adapt wine products to consumers' new expectations, demand and trends while preserving the culture of wine.

This could be done by:

- Completing the adaptation of the EU legal framework for the qualitative production and presentation of new wine products which better meet new consumer demands. Production and labelling rules should be updated to better reflect the nature of de-alcoholised and partially de-alcoholised wines and aromatised wine products.
- Increasing the regulatory flexibility of geographical indications to ease the implementation of adaptive measures to climate change.



3

Support an effective mitigation and adaptation to climate change and a coordinated green transition

EU policy should reinforce the resilience of the EU wine sector towards environmental threats. Short-term is to be considered as a first protection strategy and should be focused on specific threats, mostly changes in crop-management practices. In addition, a wide range of long-term adaptation measures should be considered.

In parallel, adapted support should be provided to help the wine sector continue its transition versus a greener and more sustainable production system while continuing to valorise wine products.

To achieve these goals, it will be necessary to:

- Define at EU level the general principles for sustainable wine production in wine Common Market Organisation and getting explicit recognition of best practice solutions in place;
- Recognize and remunerate the ecosystem services the wine sector is providing in conserving nature, biodiversity and landscapes;
- Dedicate Research & Development funds to accelerating the adaptation of the wine sector to climate change and green transition;
- Reinforce, within the Wine National Support Programs, including through the use of the investment and restructuring and conversion measures, and in line with the principles of sustainable wine production, the support for the implementation of measures aiming at:
 - mitigating the impact and adapting wine production system to climate change and;
 - facilitating the transition towards more sustainable viticultural practices.





Reinforce the EU Single Market and reduce wine marketing costs

The EU Single Market is one of the main achievements of the European Union and a fundamental asset for the EU wine sector. All the investments needed to adapt wine production to the climate change challenge and to the new wine market can only be achieved if wine companies can continue to count on a strong Single Market that enables the smooth movement of wine products in the EU and increases the competitiveness of wine companies.

In this field, digital communication (e-labels) and digital support (e-documents) should play a fundamental role in helping simplify the marketing of wine products while reinforcing the empowerment of consumers. In parallel, the facilitation of e-commerce, so important mainly for wine SMEs, remains a priority.

To do so, it will be necessary to:

- Guarantee and reinforce the Single Market for wine by effectively implementing the “one label for the EU” approach and by challenging national legislation which poses a threat to European supply chains as well as access to markets.
- Develop an ambitious and modern “digital strategy for wine products” through the adoption of EU harmonised rules covering notably the presentation of wine products, the communication of sorting instructions and recyclability, health-related information and the digital communication of documentation at Business-2-Administration level (e-certificates).
- Adopt the long-awaited simplified distance selling legal framework for wines and aromatised wine products.





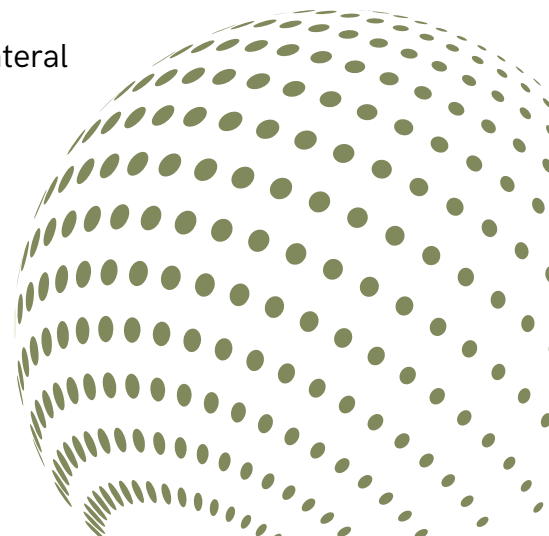
Maintain an ambitious EU Trade Strategy including an active market access agenda

With the systematic reduction of consumption of wine in traditional production countries, more than ever, trade is an essential part of the solution towards the long-term sustainability of our sector and the EU trade policy should be first of all ambitious and “assertive” to this main objective.

While agreements already in application are delivering quite well for wine exporters, there are longstanding hurdles which require continuous engagement from the Commission years after conclusion. The centrality of implementation in the EU trade strategy should be translated into the effective removal of these obstacles, so that exporters can reap the gains that the EU has negotiated.

To do this, it would be necessary to:

- Maintain an ambitious EU trade strategy to get access to new wine markets.
- Fully implement existing Free Trade Agreements and fight Technical Barriers to Trade.
- Engage in regulatory and technical cooperation with third countries’ authorities.
- Promote a positive image of international trade both at EU and national level.
- Protect wine and wine products from being entangled in unrelated trade disputes or geopolitical tensions. In this framework it will be fundamental to conclude a definitive agreement on the aircraft subsidies disputes that has affected the wine sector.
- Promote international standards, especially OIV and Codex Alimentarius’ ones, to avoid the emergence of trade barriers.
- In the absence of Free Trade Agreements, work on bilateral wine agreements to enhance the access of EU wines to third countries.





A coordinated, pragmatic and science-based EU Health policy

The EU shall recover the initiative and leadership and coordinate EU and Member States' strategies to fight the harmful use of alcohol while preserving the intrinsic differentiation between alcohol abuse and moderate consumption of wine.

Policy actions in the field of health, under the leadership of the EU, should be proportionate, not discriminatory and based on sound scientific evidence.

This could be done by:

- ... Maintaining the differentiation between alcohol abuse and a moderate consumption of wine.
- ... European Commission leading the coordination of Member States' actions in the field of health policy to avoid fragmentation of the Single Market. The European Commission should not continue delegating on health policy assessment to external agencies or organisations.
- ... Adopting a multi-approach angle, which includes societal impacts on production areas, when assessing policy recommendations to fight the harmful use of alcohol.
- ... Assessing all relevant science and developing EU-27 data and expertise instead of using "WHO's Europe region" figures which include non-EU countries or delegating health policy assessment to external-to-EU agencies and organisations.
- ... Reinforcing the whole-of-society approach by reactivating a forum of discussion between all stakeholders for a constructive dialogue.
- ... Maintaining policy coherence by finding the right balance between promoting wine and a wine culture based on moderate wine consumption and fighting alcohol abuse.

AN EU GOVERNANCE FOR THE WINE SECTOR

The 2019-2024 legislature has been characterized by numerous challenges and changes for the EU. As regards the agricultural sector and, in particular, the wine supply chain, the legislature saw the entry into force of the new CAP which included some important rules for the wine sector, the revision of the Geographical Indication scheme and the adoption and development of important priorities and initiatives. Some of these initiatives were great opportunities for the wine sector, while others, as initially drafted, were potentially challenging for our sector.

From the experience learnt from this legislature, CEEV is requesting:



AN "AGRI AND WINE IN ALL POLICIES" APPROACH

It will be fundamental to strengthen the agri/wine voice and expertise in the political debate. This could be done by:

- Leaving DG AGRI (co)-lead all initiatives having a significant impact on agriculture, food and the ecological transition in the agri sector.
- Maintaining the EU Parliament's Committee on Agriculture and Rural Development (COMAGRI) as an autonomous permanent body able to develop and provide specific expertise on agriculture, wine and aromatised wine products.
- Confirming the EU Parliament's Wine intergroup, to act as a privileged interlocutor with the Commission and the European Council.



REINFORCED 360° ASSESSMENT OF DRAFT LEGISLATIVE PROPOSALS AND A STRONGER LEGISLATIVE COHERENCE

When preparing legislative proposals, the EU Commission should reinforce the consultation and assessment processes to better understand the specificities of the agri and wine sectors, and avoid deep amendments being requested by the EU Parliament and the Council.

To do so, we would suggest to:

- Better consider the intelligence shared by the agri and wine sectors.
- Further look at the political coherence between different legislations.



ABOUT CEEV

Comité Européen des Entreprises Vins (CEEV) represents the European Union wine and aromatized wine companies. It brings together 25 national organisations from 13 EU Member States, plus Switzerland, UK and Ukraine, as well as a consortium of 4 leading European wine companies. The companies represented by CEEV, mainly SMEs, produce and market most quality European wines, both with and without a geographical indication, and account for over 90% of EU wine exports.

For more information, please visit www.ceev.eu