

PRESS RELEASE ...

FEVS supports US and EU wine industries' call to promote free trade in wine

Paris, 14 January 2020 — The Wine Institute of California (WIC) and the Comité Européen des Entreprises Vin (CEEV) released today a joint statement urging both European and American governments to support free trade in wine. FEVS totally supports such declaration and shares its objectives.

CEEV and WIC urge the United States of America and the European Commission not targeting wine in unrelated trade disputes. Both industries invite them to further open access to each other's markets by immediately eliminating all tariffs on wine, as it is already the case for spirits since 1995, under the "zero-for-zero" agreement.

"This joint statement demonstrates how current international trade tensions, far from opposing each other, strengthen the historical relationship we built with our American partners. It also shows the common and shared vision among the wine industry, in the United States as well as in Europe and France" highlights Antoine Leccia, Chairman of FEVS.

"We believe that reciprocal elimination of customs tariffs benefits to all interested parties (companies, consumers, Governments) and we are, more than ever, determined to voice this loudly".

"When the new EU Commissioner for Trade, Phil Hogan, flies today to Washington, we truly hope that the European Commission and the Member states will heed this call and take responsibility for supporting and protecting our sector" concludes Antoine Leccia.

Annex: EU-US WINE SECTOR STATEMENT OF PRINCIPLE ON TRADE

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EU-US WINE SECTOR STATEMENT OF PRINCIPLE ON TRADE

On behalf of the European Union (EU) and United States (US) wine sectors, the signatory organizations reaffirm their strong support for free and fair trade and open markets.

We call on the governments of the EU and US to further open access to each other's markets by fully, immediately and simultaneously eliminating all tariffs on wine.

The EU and US wine sectors further request the EU and US governments refrain from targeting wine in unrelated trade disputes, now or in the future, and from imposing punitive tariffs on wine products.

The EU and US wine sectors reaffirm their alignment and support for free and fair trade and urge leaders in both markets to prioritize three specific outcomes that are essential to the wine trade from grape to glass including wineries, winegrape growers, importers and exporters, distributors, retailers, and hospitality providers. The signatory organizations represent tens of thousands of small and medium sized businesses across the EU and US economies.

Preservation of the EU-US Wine Partnership

The longstanding EU-US wine trade alliance is important for the health of our sector and should be preserved and supported. Our wine trade relationship is the largest in the world and a key driver for EU and US wine export growth. Our industries have a long history of productive collaboration with each other and with our respective governments to tackle discriminatory practices in third countries. On both sides of the Atlantic, we are aware of the importance and benefits of maintaining this bilateral partnership.

"Zero for Zero" Tariff Elimination

We call on the EU and US governments to further open access to each other's wine markets by removing all tariffs on wine ("zero for zero"). Traditionally, US and EU wine exporters have faced low tariffs in each other's markets. This open access has significantly benefitted the EU and US wine sectors, resulting in increased jobs, community investment and consumer choice. United in our firm belief in free and fair trade, we call on the United States and the European Union to further open access to each other's markets by immediately eliminating all tariffs on wine.

"Wine for Wine" Principle

Our organizations have long held the view that wine should not be targeted with tariffs of any kind in trade disputes unrelated to the wine trade ("wine for wine"). Tariffs increase costs and act as added taxes that American and EU consumers and businesses, at each level of the production and marketing supply chain, pay. Retaliatory tariffs create economic uncertainty and result in layoffs, deferred investments and price increases across entire markets. We urge our governments to protect the economic vitality and diversity of our producers and farmers by avoiding the use of retaliatory tariffs on wine as a means for negotiating trade outcomes in other areas.

Signatory Organizations:

Comité Européen des Entreprises Vins (www.ceev.eu) was founded in 1960 and represents the European Union wine companies in the industry and trade (still wines, aromatised wines, sparkling wines, liqueur wines and other vine products). It brings together 23 national organisations from 12 EU Member States, plus Switzerland and Ukraine, as well as a consortium of 4 leading European wine companies. The companies represented by CEEV, mainly small and medium sized companies, produce and market most quality European wines, both with and without a geographical indication, and account for over 90% of European wine exports.

Wine Institute (<u>www.wineinstitute.org</u>) is the premier organization representing California wineries in the US and around the world. With more than 1,000 winery and affiliated business members, Wine Institutes initiates and advocates public policy that enhances the ability to responsibly produce and export wine. California is the fourth largest wine producing region in the world and produces more than 80 percent of total US wine production and 95 percent of US wine exports.