



## FEVS : “French authorities remain deaf to the wine exporters’ requests.”

**Paris, June 24, 2020 - Meeting today at the 2020 FEVS General Assembly, wine and spirits exporters note that the Government remains deaf to their requests and does not provide any assistance for one of the main major export sectors. In a very degraded international context and while the Government has announced a €15 billion plan to support aeronautics, wine exporters continue to feel the full force of the American additional duties as a consequence of the WTO decision in the “Airbus” dispute.**

The FEVS General Assembly was an opportunity to share the strong concerns of wine and spirits exporters regarding the deterioration of their environment in 2020. The global economic crisis, due to the epidemic of Covid-19, is hitting hard the products symbol of conviviality such as wines and spirits and adds up to the impact of the trade tensions already in place on the main export markets in 2019 (United States, United Kingdom, China).

Against this background, César GIRON, who has been elected today as the new President of the FEVS for a three-year mandate, underlines the lack of answer from public authorities to the requests of the sector, especially concerning the situation of French wines in the United States.

*“As soon as the US duties on wine were announced in October 2019, FEVS announced an annual impact of € 300 million on our exports to the United States and asked for the creation of a compensation fund”* recalls César GIRON. This estimate was confirmed by an impact study conducted in February 2020 by an independent firm.

This loss is now a reality! At the end of March 2020, ie after five months of application of the duties and before the start of the Covid-19 crisis, sales in the United States fell by 26% in value, corroborating the cost of € 300 million / year for French exporters of still wines.

*“I would like to highlight the work and the actions carried out by my predecessor, Antoine LECCIA, who never stopped raising this request with the Government and up to the highest level. Last March, after having met FEVS at “Salon de l’Agriculture”, the President of the Republic wrote to us “I heard the message about the emergency. We are at work.”. Unfortunately, these words have remained unanswered to date”* underlines the new president of FEVS.

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On June 9, the Government presented its plan to support the French aeronautics industry, recalling the essential nature of this sector - which represents 300,000 jobs - for the country's economy. By comparison, the support plan for the wine sector is currently limited to € 150 million, including aid for social taxes, which is 1% of the aid granted to aeronautics.

However, the Wine sector represents:

- Twice as many jobs that cannot be outsourced;
- A turnover of around € 20 billion;
- A trade surplus of € 9 billion in 2019.

César GIRON concludes: *"this difference in treatment is unbearable. It is more than urgent that French authorities fulfill their commitments. In the very short term, we expect a compensation mechanism for export companies hit by the US duties, to which is now added the extremely violent impact of the Covid-19 crisis. Then, we hope that the dispute will be resolved on the substance, by finding solutions to the various Franco-American bilateral disputes where our sector is being held hostage. With a very strong drop in turnover in France as well as in export and prospects of recovering the market by 2024, the sustainability of our businesses is at stake today"*.



César GIRON, CEO of Martell Mumm Perrier-Jouët (Pernod Ricard Group), was elected for three years as chairman of the French Federation of Wine and Spirits Exporters (FEVS).

Grandson of founder Paul Ricard and nephew of Patrick Ricard, César GIRON joined the Pernod Ricard group in 1987. He spent his entire career there. In 2000, he was appointed Chief Executive Officer of Pernod Ricard Swiss SA before being appointed Chairman and Chief Executive Officer of Wyborowa SA in Poland in December 2003. In July 2009, he was Chairman and Chief Executive Officer of Pernod until his appointment on the 1st July 2015 as Chairman and CEO of Martell Mumm Perrier-Jouët.

In his address to the FEVS General Assembly, César GIRON underlined *"in a particularly complex period for the wine and spirits sector, how the role of the FEVS is essential. Exporting is more than ever strategic for our sector and our companies: we must fight with force against the emergence of protectionism in many markets and we need market observation tools. These are the roles that the FEVS must play even more for the benefit of our wine and spirits companies."*

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