JOINT STATEMENT OF THE INTERGROUP WINE IN THE EUROPEAN COMMITTEE OF THE REGIONS

Protecting the European wine regions and sector from unjustified trade disputes

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The trade dispute between the United States and the European Union is having a far-reaching impact on various sectors of the economy, across many EU regions. The wine industry is particularly affected by these tensions. The European Committee of the Regions (CoR) should recognise the importance of these products for Europe's regional and cultural identity, economy and social structures and call on the European Commission and the European Parliament to exclude wine and sparkling wine from the trade dispute between the European Union and the United States.

In many regions of Europe, wine and sparkling wine production is an important part of the local economy. A further trade dispute affecting these products will lead to job losses and loss of income - which in turn could lead to political and social challenges. These sectors are particularly vulnerable to additional tariffs or restrictions. For many European regions, wine and sparkling wine are not only economic goods but also part of their cultural and tourist heritage and national identity. These products have a long history and are an important part of traditional agriculture, tourism and gastronomy.

The members of the WINE Intergroup of the European Committee of the Regions (CoR) hereby express their deep concern about the threat of retaliatory tariffs on US wines and the recently announced US punitive tariffs on European wines, sparkling wines and spirits. It is important to note that EU wine producers have invested significant sums of money through the "EU OCM Wine Promotion Fund in Third Country Markets" over the last 10 years, particularly in the US market. The rationale behind these co-financed EU investments in the US market need to be reconsidered, if sales of European wines in the US will collapse.

However, the European wine sector is already facing significant challenges, including climate change, changing consumption patterns, regulatory burdens and geopolitical tensions. Additional trade barriers would further jeopardise the competitiveness of wine producers and cause lasting damage to the economic vitality of Europe's wine regions. Vineyards also play a vital role in preserving the EU's landscape, protecting its soil from erosion, and ensuring balanced territorial management. The potential loss of markets and consequent abandonment of land due to these factors could have a negative effect on the EU's landscape and economy.

No involvement of the wine sector in other trade disputes

It is unacceptable that the EU includes US wines on its list of possible retaliatory tariffs in the ongoing EU-US trade dispute over steel and aluminium. It is not appropriate to use wine as a bargaining chip in this trade dispute. The introduction of tariffs on wine and sparkling wines would create economic uncertainty, reduce investment and result in job losses. This would be detrimental to European and American businesses and consumers. It is therefore vital that the European Commission removes wine from the final list of retaliatory measures.

Protecting European products from unjustified US tariffs

The US announcement to impose punitive tariffs of up to 200% on European wines is a serious threat to the European wine industry. The United States is a key export market for European wine producers. The introduction of such tariffs would inevitably lead to significant sales losses and substantial price increases, resulting in competitive disadvantages for European wine producers. It is imperative that the EU implements a coordinated diplomatic dialogue to counteract these trade barriers.

Necessary measures to support the wine and sparkling wine sector

The affected regions have already taken initial measures, including parliamentary initiatives, trade missions to alternative markets and targeted support for companies in the wine sector to utilise EU funding. We expect the European Commission, on behalf of all European Member States, to enter into negotiations with the US to resolve these trade disputes and to ensure that the wine sector is kept out of them.

Strengthening cooperation between European regions

The European wine sector is a key player for economic prosperity, cultural identity and sustainable development, especially in rural regions. We will therefore develop joint strategies that take into account the specific characteristics of the wine sector at European level, in cooperation with other stakeholders and relevant EU Institutions. Moreover, if the trade dispute were to continue, it will be essential to identify potential alternative market destinations for excess stocks and products that are currently unable to be exported to the United States, or which may be exported at significantly higher prices. In this context, the Intergroup acknowledges the European Commission's proposal of measures to support the EU wine sector in order to remain competitive, resilient and a vital economic force in the decades to come.

The WINE Intergroup of the European Committee of the Regions proposes that the European Committee of the Regions shall call on the European Commission to support and conduct the following points:

- To remove wine, sparkling wine and alcoholic beverages from the list of EU retaliatory tariffs.
- To conduct immediate diplomatic negotiations with the USA in order to avert the planned US punitive tariffs on European wines, sparkling wines and spirits.
- To draw up an EU-wide report on the economic impact of these tariffs in order to develop suitable counter-strategies.
- To secure the long-term competitiveness of the wine sector through targeted support programmes and market development strategies.
- To recognize that wine, as a traditional cultural asset, occupies a unique position within the realm of alcoholic beverages.

The members of the WINE Intergroup of the European Committee of the Regions are united behind these demands and expect immediate measures to secure the future of the European wine sector.