

Mercosur agreement: an opportunity not to be missed for EU wines

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Art de Vivre



Ignacio SANCHEZ RECARTE
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- **Representative body of the EU Industry and Trade in Wines: 24 national associations**
- **More than 90% of EU wine exports**
- **More than €10 billion exports in 2016**
- **EU agri-food export leader**



The EU wine sector in a nutshell

- **3 362 000 ha** of vineyard surface
- **70%** of the global wine production in value
- **1750** PDO or PGI
 - **67%**: weight in volume of GI wines in EU wine exports
 - **90%**: weight in value of GI wines in EU wine exports
 - **63%**: part of EU wines protected by a GI
- **€ 9,8 billion** in exports outside the EU
- **€ 10 billion** in exports within the EU
- **€ 7,2 billion** positive trade balance
- **€ 100 billion** estimated market value.
- **3 million direct full-time jobs.**

MERCOSUR EXPORTS to the EU

€170M

of which
€165M from Argentina

**A NEGATIVE TRADE
BALANCE FOR EU WINE**

EU EXPORTS to Mercosur

€139M

of which
€117M to Brazil



WHAT CAN BE IMPROVED THROUGH MERCOSUR AGREEMENT

➤ **Tariffs in Brazil**

- ❖ Remain high for EU wines
- ❖ Competitors Argentina and Chile do not pay custom duties

➤ **Recognition and protection of EU wine GIs**

- ❖ Unfair branding practices related to “generic” names
- ❖ (e.g. tipo Jerez, Porto...)

➤ **Non Tariff Barriers in Brazil**

- ❖ BZ legislation on wine additives (TBT/BRA/649)
- ❖ BZ legislation on quality requirements for wine (TBT/BRA/675)



BZ LEGISLATION ON WINE ADDITIVES (TBT/BRA/649)

- ❖ Prohibits some oenological substances recognized under international OIV standards and widely used by EU wines
- ❖ Some maximum permitted limits may not be sufficient
 - e.g sulfites limits leave outside sweet white wines (type Sauternes, Passito, Muscato)

BZ LEGISLATION ON QUALITY REQUIREMENTS FOR WINE (TBT/BRA/675)

- ❖ Set up analytical requirements which are not applicable to wines under OIV international standards (i.a. chlorides, ashes) without justification
- ❖ Some of the proposed limits are inconsistent with OIV ones
 - Specially problematic in the case of classification of sparkling wine according to sugar content-> as a consequence, senseless obligation for EU sparkling wines to bear two different mentions on labels (e.g brut and extra dry)!
- ❖ Unjustified restrictions concerning grape varieties

➤ **CEEV strongly encourages the Commission and MS to seize the opportunity of Mercosur trade talks to:**

- ❖ **eliminate tariffs on EU wine** at the entry into force of the EU-Mercosur FTA
- ❖ request Mercosur countries to comply with their international obligations of **enabling foreign Gis producers to register** and stopping unfair branding practices
- ❖ bring the **Brazilian standards for wine** in line with international OIV ones.



Cheers!
Thank you for your attention!

Dr Ignacio Sánchez Recarte
Secretary General CEEV

