



# Challenges & Opportunities for the European Wine Sector



**WINEinMODERATION.eu**

*Art de Vivre*



José Ramón Fernández  
Secretary General CEEV



Associação  
dos Comerciantes e Industriais  
de Bebidas Espirituosas  
e Vinhos

**ACIBEV Conference.**  
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# CEEV Members

## **Belgium**

Federation Belge des Vins et Spiritueux

## **Bulgaria**

National Vine and Wine Chamber

## **Cyprus**

Association of Cyprus Wine Producers

## **Europe**

GLEVE

## **France**

Association Générale des Entreprises Vin (AGEV)

Fédération française des vins d'apéritif (FFVA)

## **Germany**

Bundesvereinigung Wein und Spirituosenimport (BWSI)

Verband Deutscher Sektkellereien (VDS)

Verband Deutscher Weinexporteure (VDW)

## **Greece**

Greek Wine Federation

## **Netherlands**

Koninklijke vereniging van nederlandse wijnhandelaren (KVNW)

## **Hungary**

Hungarian Wine Federation

## **Italy**

- Federazione Italiana Industriali Produttori, Esportatori ed importatori di vini (FEDERVINI)

- Unione Italiana Vini (UNIVINI)

## **Luxembourg**

- Fédération Luxembourgeoise

## **Malta**

- Malta Wines and Vines Association

## **Portugal**

- Associação Eempresas de Vinho do Porto

- Federação de Vinhos e Esprituosos FEVIN

## **Romania**

Patronatul National al Viei si Vinului (PNVV)

## **Slovenia**

- Wine Association of Slovenia

## **Spain**

- Asociación Española de Elaboradores y Distribuidores de Vermouth y Aperitivos Vínicos (ANEV)

- Federación Española del Vino (FEV)

## **United Kingdom**

- The Wine and Spirits Trade Association (WSTA)

- Switzerland (Observer)

**Professional** association of the **EU Wineries and Trade**

- **23 national associations** representing still wines, aromatised wines, sparkling wines, liqueur wines and other vine products.
- Over **7.000 companies, mainly S&M enterprises** producing and selling the large majority of European quality wines, with and without GI.
- Over **90% of EU wine exports** , with annual exports of 6 billion €, the EU Wine industry contributes a surplus of 3 billion € to the EU balance of trade.

## Challenges in context

Globalisation  
Competitiveness

Innovation and sustainability  
Place of Wine in our society

## Threats and Opportunities

Wine CMO  
External Trade  
Labelling

Environment  
R&D  
Wine in Moderation.



## Globalisation

- Internationalization of markets
- Expansion of wine production into new latitudes
- Expansion of the global consumption
- Exponential increase of the competition
- Consolidation of structures and companies.
- Segmentation of the wine offer in terms of products and provenance, with emergence of new consumers and new offer concepts, i.a:
  - Varietal wines
  - Lower alcohol wines
- **Key role of brands** as proxy for consumer-oriented quality and safety in the different segments.

## Globalisation

### **International trade: deepening liberalisation vs the threat of protectionism**

- Multiplication of multilateral, regional and bilateral trade agreements supporting the expansion of the international wine trade.
- Wine, a drop of offensive trade interests in an ocean of EU agriculture defensive interests.
- Prospects for a successful achievement of the Doha Round have been jeopardized in the context of the economic downturn;
- Threat of unilateral protectionist reactions or, at best, revisited ambitions for pursuing the liberalisation of the international trade.

## Innovation, Sustainability

- Viticultural / Oenological revolution.
  - Exponential increase of the overall quality.
  - Dialectic antagonism between tradition/ authenticity and innovation..
  - ... in the meantime innovation delocalises too!: transfer of innovation leadership towards the 'new world' ?
- 
- ✓ Under-development of R&D in the EU wine sector, hampering competition with world players with structured R&D programs (AUS, US, etc);
  - ✓ Existing EU general R&D framework and tools not match the specificities and needs of the wine sector: no link with wine policy objectives and tools.
  - ✓ Inefficient dissemination of outcomes within the wine industry.

## Competitiveness

### ❖ The EU wines' market shares decrease at global level

Europa is still leading .... however we are not accompanying the consumption increase in proportion to our market positions;

### ❖ Sustained decrease of internal consumption in Europe

- Driven mainly by the main wine producing countries = bigger consumers
- Driven by lifestyles evolution, but also stimulated by restrictions to availability and consumption



## Competitiveness

### Atomisations of production, companies and structures.

- Insufficient dimension to face an increasingly concentrated modern distribution, narrowing margins and preventing a fairer repartition of the added value;

### Dimensione e presenza globale.

- Some European companies are key players at national, european and international levels, however they are still far behind bigger projects (Constellation, Gallo, etc).
- Lack of a pool of European wine companies with a world leading role

## Competitiveness

### Too rigid and defensive EU regulatory framework

The structural handicaps are boosted by a production – oriented, rather than market /consumer- oriented, legal framework.

- ban of new plantings and the system of planting rights,
- “quality” policy privileging quasi exclusively the GIs, thus inducing fatally a banalisation of the GI concept, and jeopardizing the competitiveness of EU wines in the international competition;
- often preventing suitable innovations in the area of oenological practices.

## The place of Wine in our societies.

- ❑ Wine, an essential ingredient of the **European identity and culture**.
- ❑ **Evolution** of wine: from source of nutrition to **celebration**
- ❑ **“Revolution” of the public health policies**: consumption habits inherent to our **lifestyles** are no more just an individual / collective choice, but a **“risk factor”** which must be addressed by public interventions.
- ❑ Proliferation of **restrictions** to communication and availability.

## The place of Wine in our societies.

- ❑ The “public health challenge:
  - ❑ **“De-normalisation”** of our products and its consumption, event responsible and moderate, which is observed by the overwhelming majority of our consumers.
  - ❑ **Marginalise** the relationship with, and the consumption of, our products among the habits, behaviors and lifestyles which are integral to our «cultures».

## Wine CMO

Sizing the opportunities offered by the 2008 Wine OCM reform.

The still recent EU Wine Reforme is  
**a decisive step**, even if partial yet,  
**in the right direction**,  
towards:

- ☐ increased market orientation and
- ☐ the opportunities offered by the global market.

## Wine CMO

### Sizing the opportunities offered by the 2008 Wine OCM Reform:

- **Restructuring and reconverting** the production tool – vineyards;
- Phasing out of the public **market intervention** measures;
- Phasing out of the **ban of new planting rights**;
- Improvement of the potential **rol of self-regulatory market managment by true inter-branch organisations**;
- **More flexibility** for offer **segmentation** (labelling and presentation): varietal and vintage wines without GI;
- Consistent **support to promotion**, in Third countries' markets.

## Wine CMO

**Towards a reinforcement of the market management role of producer organisations and inter-professions.**

### Context

- future of the CAP post 2013,
- « milk » and «quality » packages
- debate on ban of new plantings

**-In the future, regulation of markets is intended be increasingly replaced by negotiated sector decisions instead of administrative market measures.**

- ❖ **Need for clearly defining the inter-professional organisations and reinforce the range of activities they can fulfill.**
- ❖ **Real Parity** is absolutely needed in order to ensure market-oriented economic management and the reinforcement of the competitiveness.

## External Trade

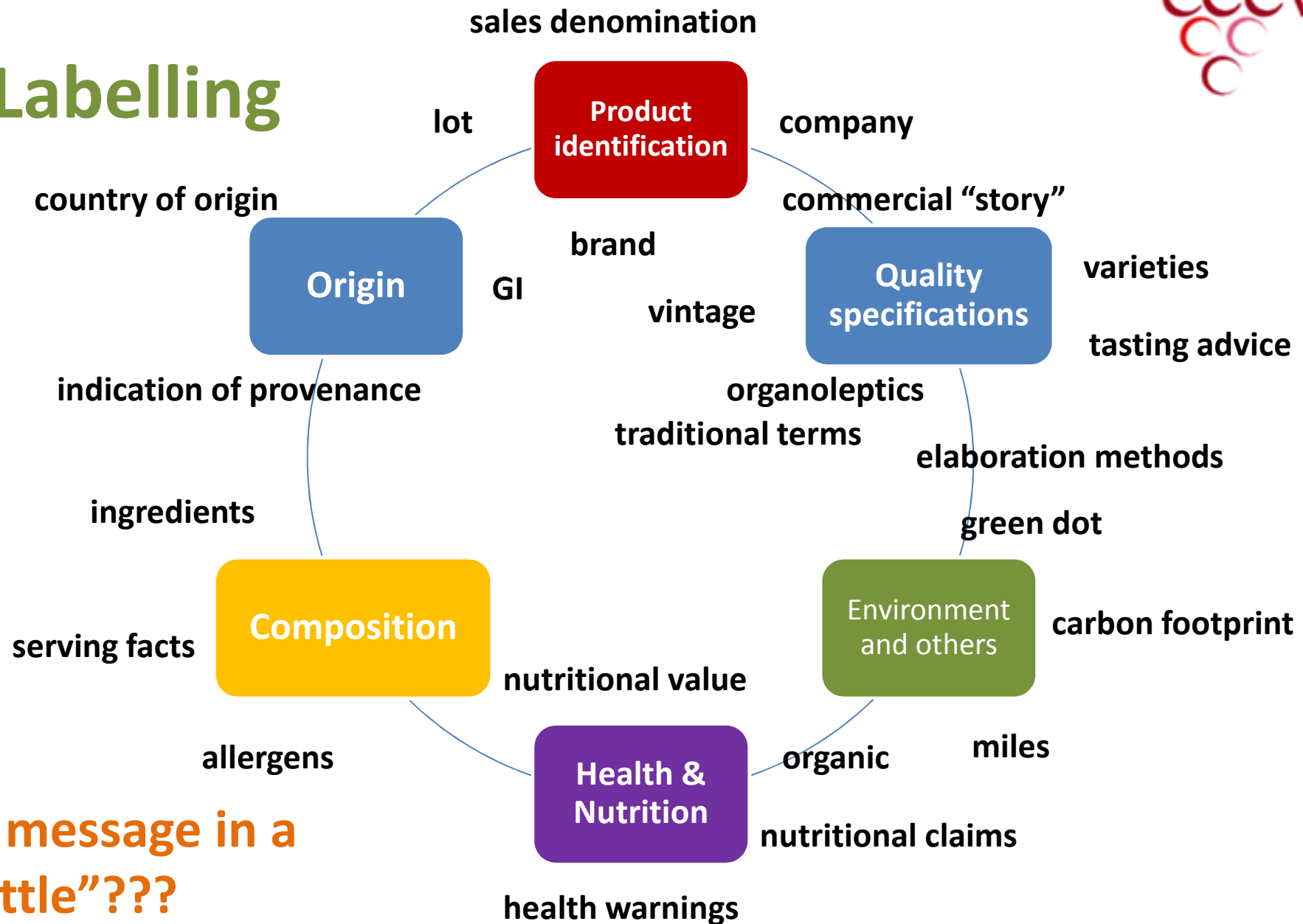
- ❖ **Better access to major markets (USA, Canada) and new emergent markets (India, Far East, etc).**
  - ❖ **The development of domestic production in India, China, Brasil, and others is encompassed by an increasing interest of midle-classes on wine allows to promote wine education and culture that could definitely boost the wine consumption in those emerging markets.**
- Feeding this evolution, and reducing the market access barriers, is a priority for the EU Wine sector.**



# Opportunities



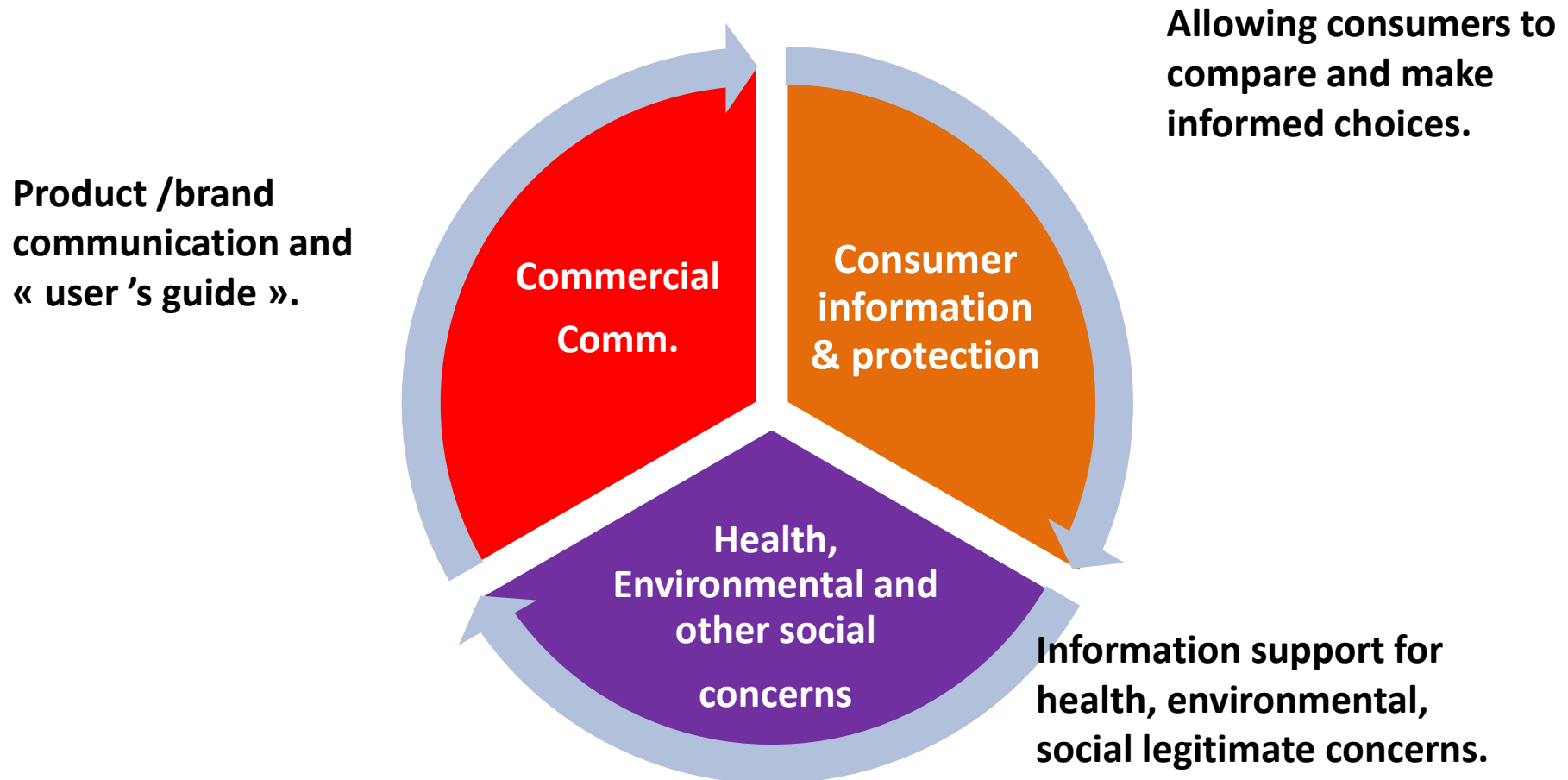
## Labelling



**"A message in a bottle"???**

## Labelling

Labelling, the battle field of often contradicting legitimate goals...



# Labelling



### **WINE REFORM.**

Varietals, Gis, Traditional expressions

### **ALLERGENS**

Mandatory labeling of sulfite.

Permanent exception for isinglass.

Temporary exemption for milk and egg derivatives till June 2012, and after?

Pictograms...?

### **INGREDIENTS AND NUTRITIONAL**

Most, if not all, alcohol beverages likely to remain exempted, however the European Commission will produce a report with eventual proposals 2-5 years after the entry into force of the new regulation (expected before the end of 2011).

### **ORIGIN**

Pressure to indicate the country of origin of the “main ingredient” if failing to do so would mislead the consumers.

### **HEALTH WARNINGS / SERVING.**

Remains voluntary for the time being at EU level... however some attempts in various MS and some company's CSR initiatives.

### Ideas for Turning Threats into Opportunities

We have an interest on showing the way through the definition of a **holistic approach on consumer information** and the proposition of **concrete action / workable proposals**, including through self-regulation where appropriate...

- To prospect opportunities for allowing the Wine Sector to become **more transparent and consumer friendly** in the way the nature and content of the product is communicated.
- To develop a **low-cost method for energy information** in order to inform consumers while preventing wineries from bearing the cost of analytical test.  
→ Make available “typical energy values” conversion tables through alternative support such as WIM websites.
- To develop a **self-regulatory approach to “information messages” through pictograms** in different supports, on responsible consumption aspects.
- Need to increase dialogue and coordination within the world wine industry in order to promote **global** solutions to enhance the position of wine in our societies and minimize disproportionate burdens and barriers to trade



Building on experiences in the wine sector at national, international and companies level,

- ❖ to define a **strategic message and approach** aimed at:
  - showing the contribution of the wine sector to the environment protection;
  - promoting the preservation of the natural assets which are essential for the long-term viability of the wine business;
  - promoting the improvement of the energy and environmental performance of wine production and trade, identifying opportunities for innovation and cost-savings;
  - promote industry responsibility, providing an appropriate answer to the increasing expectations from regulators and consumers.

## R&D

### **CEEV - EU wine network of excellence on R&D applied to wine.**

Timely opportunity:

- reflection on the CAP post-2013
- reflection on the 8th Research Framework Program (FP8)



#### ▪ **Objectives:**

- ✓ EU coordination of R&D applied to wine, to generate greater efficiencies and effective knowledge diffusion
- ✓ EU funding framework on R&D specific for wine to bring it closer to the EU wine policy objectives.

#### ▪ **EU network of excellence around leading companies:**

- ✓ definition of priorities and strategic agenda for wine R&D
- ✓ exchange of best practice
- ✓ potential for partnership to participate in EU-funded research



# Wine & Health



***“Wine in Moderation, Art de Vivre”*** is the response and commitment of the wine sector, aimed at mobilizing the whole wine value chain, in collaboration with relevant institutions and stakeholders, in order to:

- Promote best practice moderate responsible alcohol beverages consumption;
- Educate about the ‘Culture of Wine’, an *arte de vivre* focused on the passion for taste, diversity, quality and healthy lifestyle, thus ‘incompatible’ with irresponsible consumption or abuse.

## WINE in MODERATION



*"The campaign literature is informative. It's colourful. It's appealing. It gets across important facts about the dangers of heavy drinking – without taking a "preaching" tone of the sort which might encourage rather than discourage an irresponsible approach to alcohol. It also gets across the point that wine is a "health issue" in a positive sense, not just a negative sense.*

*"A glass or two of wine taken regularly really can be wonderful preventive medicine - as our grandfathers always told us when they took the bottle out of the cupboard. Above all, it gets across the point that wine is a good thing if used in the right way – something to savour, something to celebrate"*

**Commissioner Mariann Fisher Boel,**  
DG AGRI  
Brussels, 18th March 2008.



**"Wine in Moderation, Art de Vivre"** and its ongoing implementation has been mentioned by SANCO as 1 of 5 good examples of commitments (among a total 108 commitments submitted by 60 stakeholders...)

*"A programme that combines mobilisation, development of self-regulation of commercial communications and moderation education directed to the general public*

**Robert Madelin,**  
Former EC - DG SANCO  
Open EAH Forum , 30th April 2009



***"Moderation is the KEY".***

*We must, in collaboration, keep pushing for that.*

**Commissioner John Dalli,**  
DG SANCO  
CEEV meeting with Health  
Commissioner J.Dalli ,  
25 November 2010







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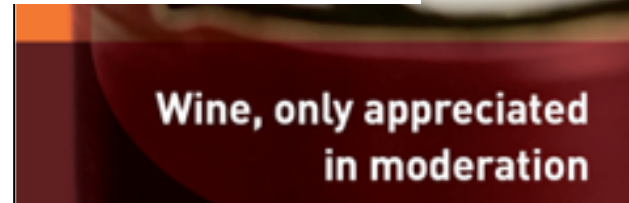
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Wine, only appreciated  
in moderation



Wine, only appreciated  
in moderation

**Wine in Moderation**  
a pan-European programme to promote  
moderation in wine consumption



Obrigado  
Thank you

