

Introduction

The Wine and Spirit Trade Association (WSTA) is the UK organisation for the wine and spirit industry representing over 340 companies producing, importing, transporting and selling wines and spirits. We work with our members to promote the responsible production, marketing and sale of alcohol and these include retailers who between them are responsible for thousands of licences.

We work with Government Departments such as Defra, the Food Standards Agency and BIS to ensure UK implementation of EU regulations is as smooth as possible for the alcohol industry.

We also work with our European colleagues through Comité Vins and Spirits Europe to ensure that existing and future European legislation relating to wines and spirits does not adversely impact businesses in our sector.

1/ Food safety and labelling

The production and labelling of wines and spirits is governed by EU law. The EU's common market organisation for wines and spirits means that product labelling, descriptions and definitions are harmonised across all 27 member states and provide protection for EU product denominations.

This arrangement has facilitated trade between EU member states which has been broadly advantageous for the UK and its consumers.

However, the single market has in some instances created issues in relation to imports of some products from outside the EU which are not always compliant with EU standards, but many of these have been (or are being) dealt with via bilateral agreements between the EU and third countries.

We therefore believe that it would not be possible or desirable for the UK to attempt to repatriate powers on specific legislation governing the production of wines and spirits and aromatised wines.

2/ Consumer Protection Policy

Consumer Protection Policy at EU level has been reviewed recently and a new Directive on Consumer Rights will come into force on 13 June 2014. While UK Consumer Protection Policy has always been relatively high compare to other EU member states, the new Directive will introduce improved consumer protection principles such as stronger withdrawal rights, increased clarity of prices and more transparency.

The Commission's efforts to harmonise Consumer Protection Policy across all member states will in time provide EU consumers with the needed guarantees and safeguards to have the confidence to shop across borders and, as such, should be welcomed.

According to a recent report for the European Commission, cross-border online shopping in the EU has increased from 6% to 11% between 2006 and 2011. This is in part due to improvements in EU Consumer Protection Policy. (ref: 'Consumers' attitudes towards cross-border trade and consumer protection", EC May 2012').

3/ Excise Duty

Directive 2008/118 on the general arrangements for products subject to excise duty is the key directive governing the structure of excise duty across the EU. This sets the basis upon which excise duty is levied on alcoholic drinks.

The Directive allows EU member states to set their own rate of excise duty and also to charge a 'zero rate' on some products such as wine where for instance 15 out of 27 EU member states do not currently charge any excise duty at all.

Having an EU directive which sets the basis upon which alcoholic drinks are taxed provides certainty for operators who trade across borders, but within a single market, as they only have one taxation system for 27 member states.

We believe it right for the UK to retain sovereignty over setting its own excise duty levels within the parameters of this Directive, but we believe the structure of excise duties (i.e. the basis upon which taxation is levied on alcohol) should remain under EU control.

This is illustrated by several European Court of Justice cases which have been brought against some EU member states who were thought have set levels of excise duty on some products at a rate which was unfairly disadvantageous to other products.

One such case was brought against the UK in 1983 (European Commission vs UK, ECJ 170/78). The European Court of Justice ruled that still wine and beer were competing products and that taxing wine in excess of the equivalent rate of beer in a beer-producing and wine-importing country was against the Treaty of Rome, since it discriminated against products of other Members States. As a result of this ruling, the UK was required to bring wine and beer duty rates into line and rates for wine and beer have moved in parallel ever since.

4/ Environmental Legislation

Regulation aimed at 'greening' supply chains has not yet been adopted at EU level, but is under active consideration. Although the EU is the right level at which to address most environmental issues, a badly constructed EU Regulation based on poor evidence could prove excessively burdensome for business, especially SMEs and micro businesses, potentially leading to insolvencies and discouraging new start-ups.

Where a future EU Regulation is adopted, standards should be reasonable and adoption progressive; it should encourage efficiencies; and enforcement should be devolved to national level. Above all, new regulation should not be a barrier to international trade.

5/ Working Time Directive

Different sectors need additional labour at different times. For example, elements of the UK wine and spirit supply chains need extra hours in the run up to Christmas. **We believe that working time should be decided at national (or business) level and would encourage the UK government to negotiate removal of the Directive. At worst, the UK government must preserve its current 'opt out'.**