

# EXPLANATORY MEMORANDUM FOR EUROPEAN UNION LEGISLATION WITHIN THE SCOPE OF THE UK/EU WITHDRAWAL AGREEMENT AND WINDSOR FRAMEWORK

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## REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATIONS (EU) NO 1308/2013, (EU) 2021/2115 AND (EU) NO 251/2014 AS REGARDS CERTAIN MARKET RULES AND SECTORAL SUPPORT MEASURES IN THE WINE SECTOR AND FOR AROMATISED WINE PRODUCTS

Submitted by the Department for Environment, Food and Rural Affairs

27 May 2025

### SUBJECT MATTER

1. This proposal will amend EU Regulations concerning wine and aromatised wine to improve competitiveness in the EU wine sector in the face of various challenges it currently faces. The proposals include:

- Amending **Regulation (EU) No 1308/2013** to:
  - Support Member States to address or prevent the risk of surplus production capacity by allowing changes to the **vine planting rights** arrangements.
  - Amend rules on the production of lower alcohol wine to improve arrangements for the **production of low alcohol sparkling wine**, and introduce rules that will harmonise the use of **terms to describe lower alcohol wine** and other rules concerning the labelling of these wines / aromatised wine.
  - Permit the Commission to make proposals to harmonise the rules on the **electronic labelling of ingredients and nutrition information** on wine.
- Amending **Regulation (EU) No 251/2014** to permit the production and marketing of **lower alcohol aromatised wine products**, bringing them in line with rules for the 'alcohol free' labelling of wine products.
- Amending **Regulation (EU) 2021/2115** to allow support provided to producers to include:
  - The possibility to combine the efficient **restructuring of vineyards** with the need to avoid an increase of production.

- Permit producer groups that manage protected designations of origin and geographical indications to benefit from support for **developing wine tourism** in their region.
  - Increase the maximum duration for support for **export promotion**.
  - Permit certain **investments in the wine sector**, including those to support co-operation and mitigate against the effect of climate change events to benefit from the maximum rate of EU financial assistance.
2. The EU High Level Group which presented these reforms indicated the proposed policy measures should be implemented within a coherent national strategic framework to maximise their effectiveness, with Member States required to evaluate their impact to ensure efficiency, cost-effectiveness, and long-term benefits. Key priorities include avoiding market imbalances, preserving landscapes, sustaining rural employment, and enhancing the competitiveness of vine growers and wine producers.

## **SCRUTINY HISTORY**

3. There is no Parliamentary scrutiny history relevant to this Explanatory Memorandum.

## **MINISTERIAL RESPONSIBILITY**

4. Responsibility lies with the Secretary of State for Environment, Food and Rural Affairs.

## **INTEREST OF THE DEVOLVED ADMINISTRATIONS**

5. The proposals were discussed during a meeting with the wine and spirit drink policy officials in the Devolved administrations. DAERA and Defra officials concluded that the impact of this proposal will be minimal given both e-labelling arrangements and rules for producing and marketing partially de-alcoholised and de-alcoholised wine already existing on the market in Northern Ireland. Neither Wales nor Scotland voiced any concerns about the proposal.

## **LEGAL AND PROCEDURAL ISSUES**

6.

### **i. EU Legal Base**

The Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 42 and Article 43(2) thereof

### **ii. Voting Procedure**

QMV

iii. **Timetable for adoption and implementation**

TBC

**POLICY AND LEGAL IMPLICATIONS**

7. **Summary** - Not all the regulatory amendments in these proposals will apply in NI as not all pertain to legislation contained within the annexes of the Windsor Framework. However, we do have an interest in proposals concerning marketing standards for wine and aromatised wine which could have a direct impact on the markets in Northern Ireland (NI) and subsequently Great Britain (GB) also through unfettered access arrangements for qualifying NI products, although we anticipate any impact on both markets will be quite small.
8. NI and GB wine labelling rules already permit wines to display ingredients and nutrition listings via a QR code linked to information stored on the internet. Although the marketing and production of low/no alcohol 'wine' is permitted in laws applicable in NI, and hence qualifying NI products would have unfettered access to the UK market, it is not yet provided for in rules that apply in GB as regards domestic production or imports. Similarly rules that operate in GB do not provide for the production or marketing of low/no aromatised wine products although they would have similar access arrangements if moved from NI.
9. **Policy overview** - Much like the EU, the UK has experienced the increase in consumer demand for low and no alcohol products. Even as a very small producer, the UK has seen increasing unpredictability of the climate and witnessed the impact it has on wine production and producers which has caused problems for business planning and expanding the growth of the UK's wine sector. We note moves by the EU to regularise labelling aspects attached to the QR code and welcome this being addressed at an EU rather than Member State level to support harmonised marketing arrangements across the EU. Similarly, we take note of changes to the labelling of low and no alcohol wines. Sales of aromatised wine (products such as vermouth etc ) represent only about 5% of the overall market in wine, and whilst we acknowledge the reasons for expanding the low alcohol market to encompass aromatised wine products, and allow their producers access to this increasing market segment, we do not expect that this will have significant effects on the market for aromatised wine overall.
10. **Policy assessment** – Regulations amended by this proposal appear in Annex 2 of the Framework, and as such amendments to them automatically apply in NI via Article 13(3) of the Framework, subject to the democratic safeguards present within Schedule 6B of the Northern Ireland Act 1998.

## **Detailed policy assessment**

### **E-labelling –**

11. The proposals from the EU include arrangements that will harmonise arrangements for the e-labelling (via QR code) of wines to show nutrition and ingredient labelling.
12. Products placed on the market in NI are already required to show information on nutrition and ingredients on label directly or via e-label due to EU legislation applying under the Windsor Framework unless they are moved via the Northern Ireland Retail Movement Scheme (see paragraph 18). NI has no wine production nor a significant wine bottling industry and hence we expect all wine placed on its market will be imported in bottles from either GB, EU or rest of the world (RoW) sources. We do not see that the proposed technical changes the EU intends to make to harmonise e-labelling arrangements will add any significant costs to NI traders given they will not be responsible for labelling.
13. The UK has not introduced mandatory labelling / e-labelling arrangements for nutrition or ingredient labelling of wine products. We recognise that products intended to be marketed in the EU or moved via the 'red lane' to the market in NI will need to adapt to the new harmonised arrangements. We do not however anticipate this technical change will have a significant impact on GB bottlers and other suppliers to the NI market.

### **Low alcohol wine labelling. –**

14. The EU proposals have included arrangements to harmonise the use of terms such as "0.0%", "low alcohol", "alcohol-free", and "zero-alcohol". Under these proposals, wine (and aromatised wine) products should use the term 'alcohol-free' to describe wine (aromatised wine) products that are not more than 0.5% abv (alcohol by volume). However, where 'low alcohol' is used in conjunction with the expression '0,0%', the alcoholic strength of the product should not exceed 0.05% abv. Where the term 'alcohol-light' is used the product should have over 0.5% by volume and should be at least 30% below the minimum actual alcoholic strength of the category before de-alcoholising.
15. We recognise that the market for reduced alcohol products including wine is increasing rapidly and there is a range of terminology currently used to describe low and no alcohol products. EU rules applicable in NI already provide for the production and marketing of 'de-alcoholised' wine that must have an alcohol content at, or below, 0.5% abv and 'partially de-alcoholised' wine with an alcohol content of over 0.5% and below 8.5% abv.

16. The UK has not yet regulated in this field, so the minimum level of alcohol for wine products remains at 8.5% abv or 4.5% abv for wine that has a registered geographical indication.
17. The Department of Health and Social Care are responsible for guidance on terms used to describe 'low alcohol' products – i.e. that have 1.2% abv (alcohol by volume) or less. This guidance has been subject to consultation, the outcome of this is still awaited. We have considered the proposals against the backdrop of the current GB guidance and do not feel that it will impact significantly on the NI market for these products, or that in GB which is currently limited to classifying products with low/no alcohol 'wine-based products' or similar.

## **IMPACT ON UK INTERNAL MARKET MOVEMENTS**

18. The existing Regulations being amended by this proposal are disapplied by Annex I of Regulation (EU) 2023/1231. This means that goods can move from Great Britain to Northern Ireland via the Northern Ireland Retail Movement Scheme without having to meet these new standards. Movements under the scheme will therefore be entirely unaffected by this Regulation.

Moreover, in line with the Government's commitment to ensuring Northern Ireland traders have unfettered access to the rest of the UK internal market, these measures will not have any impact on the movement of qualifying Northern Ireland goods from Northern Ireland to Great Britain. Such goods will also continue to benefit from the market access principles set out in the United Kingdom Internal Market Act 2020 and enjoy unfettered access.

19. Defra will continue to discuss these amendments with the Devolved Governments to further assess and understand the implications for the UK and as part of its commitment to carry out periodic review and legal requirements to carry out Post Implementation Reviews of legislation to ensure legislation remains relevant and fit for purpose.

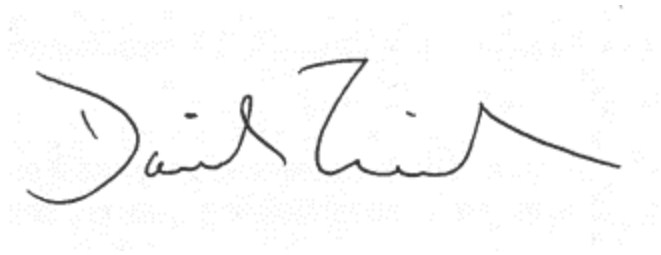
## **CONSULTATION**

20. Defra and DAERA engage with the agri-food sector on a regular basis. They also maintain open communication channels to share information about developments relating to wine.
21. The potential application of this proposal in Northern Ireland will be raised with the European Commission through the mechanisms for information exchange established under the Windsor Framework.

## **FINANCIAL IMPLICATIONS**

22. None. The market for wine is dominated mostly by large multinational companies who by definition supply various markets requiring various marketing

requirements. Northern Ireland has no domestic wine sector so will be supplied by a mix of UK, EU and RoW sourced wine. We see no cost for the Government in administering these changes.

A handwritten signature in black ink, appearing to read 'Daniel Zeichner', is centered on the page. The signature is fluid and cursive, with a long horizontal stroke at the end.

**DANIEL ZEICHNER MP**  
**MINISTER OF STATE (MINISTER FOR FOOD SECURITY AND RURAL AFFAIRS)**  
**DEPARTMENT FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS**