

**Speech by**  
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**“Challenges and opportunities for European wines“**  
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On behalf of the Commission, I offer you all a very warm welcome to today's seminar on "Challenges and opportunities for European wines". I'm happy to see so many people here, and I feel confident that we have some stimulating debate ahead of us.

We have come here to listen. The Commission's work on reforms of the EU wine regime is moving forwards, but nothing has been fixed. I need to hear your ideas and opinions today. We need to join forces to turn things around and promote a wine sector in Europe that prospers and grows.

Europe has great traditions in wine production. Europe didn't invent wine, but our continent has arguably become the drink's spiritual home. The EU is the world's biggest producer, consumer, exporter and importer of wine. We have been making it for centuries. Tasting what we have to offer is almost an obligation for most of the millions of tourists who flock to Europe every year – and who are fascinated by our beautiful vineyards. Based on this image of quality and tradition the wine sector has all the chances of becoming the jewel of European agriculture.

And yet, what do we see: In 2002, the EU exported 20% more wine than it did on average each year in the period 1986 to 1990. Not a bad achievement, perhaps. But at the same time, exports from the US multiplied by 4, those from Australia and Chile by 19 each, and those from South Africa by 47. Of course, we have to be careful with statistics. For example, South African sales have been expanding from a relatively small base. But let's not deceive ourselves: our competitors are catching up with us in the world market. Their exports are growing quickly. Ours only slowly –

At the same time, the EU as a whole is drinking less wine as lifestyles change and as we fail to catch the enthusiasm of younger consumers. And in those Member States where demand is growing, it is the New World producers that are filling the gap. You only need to take a look at the wine shelves of supermarkets in Denmark, in the UK and in the new Member States.

All these factors are placing a heavy strain on our current wine policy. Supply and consumer demand simply do not balance. Regularly we have to take millions of hectolitres off the

market through crisis distillation. Too often the only image left with our citizens of the EU policy on wine is 'the EU wine lake'.

Our producers and exporters also have to live with a maze of restrictions.

There are limits on vine area – sometimes respected, sometimes not.

There are complex restrictions on labelling. Bottles of "quality wine" may display many types of information which bottles of "table wine" may not. Yet for consumers the distinctions between these categories are often very blurred.

Do these rules make sense to anyone here? More to the point, do they make sense to the consumer? Do they increase clarity? Do they boost sales? If the answers to these four questions are "no, no, no and no", I suggest we do something about it.

Ladies and gentlemen, it's obvious that we have to change, we have to do it now and we have to go for a solid and lasting reform.

Having said that, in what direction do I want to go? I suggest three overall objectives:

- first of all we need to increase the competitiveness of the EU's wine producers, strengthen the reputation of EU quality wine as the best in the world, and recover old markets and win new ones in the EU and worldwide;
- secondly we need a wine regime that operates through clear, simple rules - effective rules that ensure balance between supply and demand;
- and last but not least we need a wine regime that preserves the best traditions of EU wine production and reinforces the social and environmental fabric of many rural areas.

These are the general goals. But how do we achieve them?

Certainly we need to update some of the existing tools, measures and rules related to planting rights, restructuring, oenological practices, labelling, and various kinds of distillation.

But we could go further and take a look at the new principles which now operate in much of the rest of the CAP, such as decoupling and cross-compliance. Could we apply these to the wine sector? Would they work in practice? Would they be helpful?

And we should think beyond these categories, and perhaps do completely new things. Please be extravagant with your imagination. If you could build your own wine market system with the existing budget, what would you do? In this context let me make it clear that the main

ambition of the reform of the wine regime is not to save money but to ensure that the amount that the EU spends every year is spent in the most productive way.

These are my general thoughts but the main purpose of this seminar is to listen to you. I would like to know what you - the wine industry - intend to do for yourselves, with support from the system.

When I look for information about New World wines on the internet, I read about hard-headed market analysis, "five-year plans", ambition, vision. What are your ambitions and visions?

I feel confident that you do have ambitions and visions, and that you can make them bear fruit if you work within a system that sets you free instead of tying you down.

This is the spirit of the reforms which we have applied to most of the rest of the CAP. Public money for public goods and services: the attractive countryside, the healthy animals, the high standards of food safety that people want. But the new CAP also leaves farmers free to produce whatever will bring them the best returns. That often means high-quality goods, since the competition in bulk markets is so fierce these days. Surely, if a quality-based strategy can work for any of our traditional farm products, could it then work for wine? This is a central question.

So I come back to my main question. What do you need from the EU wine regime to enable you to play to your strengths?

Perhaps you know the religious parable about not putting new wine in old wineskins because the old wineskins may burst. We could say the same of our current wine market system. It cannot hold the creativity and enterprise which industry needs to show. We desperately need a new system.

Thank you for your attention, and I look forward very much to hearing your ideas today.