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Dear Honourable Member,

We would like to thank you and the co-signatories for your letter of 12 January 2021 requesting the establishment of a compensation fund to help the European wine sector, which is affected by the additional import duties that the United States have applied to certain European wines since 18 October 2019 and covering some additional wine products since 12 January 2021.

The Commission is fully aware of the difficulties that the EU wine sector continues to encounter due in particular to these tariffs, but also to the COVID-19 pandemic.

As indicated previously, the Commission considers that the best aid to be provided in such circumstances is to allow greater flexibility in the promotion of European wines on third-country markets. The Commission encourages the wine sector to make use of the promotion policy instruments targeting third countries¹ and the promotion measure of support programmes in the wine sector (NSPs)² as they can help consolidate their position on existing markets or seek new opportunities in other markets.

Useful flexibilities for operators promoting EU wine in third countries were introduced already in January 2020³ and will be extended with the adoption of the prolongation of the COVID-19 package⁴.

¹ More information on the promotion policy and its funding opportunities is available at <https://ec.europa.eu/chafea/agri/>

² Article 45(b) of Council Regulation (EU) No 1308/2013.

³ Commission Delegated Regulation (EU) 2020/419, Commission Implementing Regulation (EU) 2020/132 and Commission Implementing Regulation (EU) 2020/133.



Other measures in the COVID-19 package, for instance crisis distillation, crisis storage and green harvesting, can also contribute to stabilising the EU wine market. We highly appreciate your support for these exceptional measures. It is planned to adopt the related draft Commission Regulations by the end of this month. This includes two Delegated Regulations that will then be submitted to the Parliament and the Council for scrutiny. A swift handling of these regulations by the two institutions, and, if possible, a rapid non-objection from your side, will help the swift implementation of these measures with full legal certainty for Member States. We understand that the COMAGRI Committee, at its meeting of 14 January 2020, already signalled its support for urgent adoption.

From a financial and budgetary point of view, in previous years, very large amounts of the Wine National Support Programmes were not used. The level of payments for both 2018 and 2019 was below 90% of the allocated funds. The amounts not used at the end of a financial year are lost and cannot be carried over to the next financial year. This means that, already only in these two financial years referred to, over EUR 200 million of support were unused. In this period of crisis, it is necessary to maximise the use of these support programmes. The prolongation of the COVID-19 crisis measures in 2021 will allow for maximising the spending of funds that otherwise would be lost to the sector, as was proven in 2020. As you know, the budget situation in 2021 is very tight and, in any case, the financial discipline mechanism will apply and, thus, any additional expenditure would translate into additional cuts in direct payments for farmers. Therefore, the Commission remains convinced that extending the COVID-19 exceptional measures to maximise the use of the available funds for the wine sector remains the best approach.

We also wish to underline that the Union's contribution to all measures implemented under the support programmes in the wine sector has been increased from 50% to 60 % between April and June 2020 and from 60% to 70% as from July 2020. This means that the financial contribution of operators has been reduced by 20%, which provides financial relief in these times of crisis. Furthermore, the two crisis measures 'crisis distillation' and 'crisis storage' can be entirely financed by public support (Union and national payments).

Nevertheless, the Commission is of the view that dialogue should prevail between major partners such as the EU and the USA, and is committed to finding a negotiated and balanced solution with the new U.S. administration to resolve the long-standing World Trade Organisation dispute relating to Airbus and Boeing.

Yours faithfully,



Valdis Dombrovskis



Janusz Wojciechowski

⁴ Commission Delegated Regulation (EU) 2020/592, Commission Implementing Regulation (EU) 2020/600 and Commission Delegated Regulation (EU) 2020/884.

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