

# Newsletter

The Brewers of Europe



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## **European Parliament Bier Club**

**Bringing the Northern High Taxing Countries into the Single Market**



The Brewers of Europe



## Message from Vice-President of the EP Bier Club, Ria Oomen-Ruijten, MEP

It's my pleasure to host the upcoming Dutch Bier Club Reception.

The part of the Netherlands I come from, the southern province of Limburg, is known for its Burgundian way of life. In this tradition we've always appreciated good food and a good glass of beer. Most Dutch breweries are situated in the southern part of the country.

As the Netherlands is the largest beer exporter of the world, it's a great honour to be the Dutch Vice-President of the EP Bier Club.

I would like to welcome the new members of the European Parliamentary Bier Club, especially my colleagues from the new member states. They have enriched our Union with their traditions, brewing traditions included!

I hope you will join us for the Dutch Bier Club Reception to be held on 1 December at the Brewers of Europe House and we can enjoy the finest brews together!

Ria Oomen-Ruijten, MEP

## Summary

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### Bringing the Northern High Taxing Countries into the Single Market



The Brewers of Europe has published a booklet highlighting the negative effects of high excise duties in Northern EU Member States.

At present, very high taxes in Northern Member States (Finland, Sweden, Denmark, Ireland and the United Kingdom) provoke massive trade distortions, deterring consumers from purchasing beer in their own countries in favour of buying from countries with moderate taxation. This circumstance has created a black market and high levels of unrecorded consumption.

On the 26th May 2004 the European Commission published a report which states that the high rates are disturbing the single market and lead to an extensive cross border shopping and loss of sales and tax revenue in the high duty countries. This is very much against the EC Treaty, which promotes free markets, the free movement of goods across borders and the principle of free and undistorted competition.

For a long time some of the high duty countries have invoked health and social policy reasons for maintaining a high level of duty rates. However the European Commission report clearly states that only in Sweden are health objectives predominant in determining duty levels.

From the sales and jobs perspective the situation in the northern countries is becoming dramatic. Swedish breweries have lost 40% of their capacity in the last 3 years. In Denmark already more than 23% of beer is bought just over the border in Germany. Strict border controls are not the solution, as the significant cross border shopping is entirely legal. However in addition to the legal personal import the significant deviations in duty also lead to high levels of smuggling. In the UK research shows that 2.5 m. hectolitres are purchased illegally, and in Sweden smuggling of beer increased by 66% in the first six months of 2004.

In 1992 the EC directive 92/12 established quantitative limits for personal imports and implied that consumers should physically accompany the goods across the border. The Commission now recognises the incompatibility of this rule within the single market and has in April 2004 published a proposal, which abolish the requirement for persons to accompany physically goods bought in an order country.

Out of 25 present EU Member States, only Five accounting for less than 20 % of EU's total population, are trying to persuade the remaining 20 Member States to adopt high tax policies. The fundamental principle is that European tax legislation should be fair and not discriminatory.

The Brewers of Europe believe that without an effective taxation policy, consumers will not get a fair deal and the brewing industry will not be able to make a full contribution to Europe's economy. Therefore, The Brewers of Europe call upon European Governments to support the European Commission's proposals designed to improve the functioning of the single market and to moderate taxation policies in order to reflect a rational response to competitive forces.

**Launch of the Consultation Process for an EU Strategy to Tackle Alcohol-Related Harm**



In July of this year DG SANCO presented to representatives of the alcoholic beverages industry for preliminary comments a "First draft working paper on a coordinated approach in Europe to tackle alcohol-related harm".

Subsequently, in September, representatives from all sectors of the alcoholic beverages industry participated in a meeting organised by DG SANCO, where The Brewers of Europe also presented its first written submission in the context of the first draft working paper. Both in the meeting and in the submission we reiterated the message that The Brewers of Europe shares the concerns expressed by the Council regarding misuse and welcomes the Commission's efforts to combat the problem. The European brewing industry has already been working to confront this issue for many years before an official strategy process was launched, and stands ready to continue to be part of the solution.

We think it is of utmost importance that any strategy to tackle alcohol-related harm:

- be based on reliable, independent evidence;
- take fully into account the wide variety of societies, economies, cultures and traditions across the enlarged European Union;
- target the problem of misuse;
- include education at the core of its policies;
- be preceded by impact assessment and stakeholder consultation.

The First Submission of The Brewers of Europe can now be found on the website at:

<http://www.brewersofeurope.org/uk/publications.asp>

**Excise Duties in European Countries**

COUNTRY	EXCISE DUTY (€ / HI)
Bulgaria	6,46
Romania	7,20
Spain	8,87
Malta	8,93
Latvia	9,10
Czech Republic	9,15
Germany	9,45
Luxembourg	9,52
Lithuania	10,14
France	13,00
Greece	14,24
Portugal	14,45
Slovakia	15,03
Switzerland	16,18
Estonia	17,58
Italy	19,08
Poland	19,10
Hungary	20,49
Belgium	20,53
Cyprus	22,19
Austria	24,00
Netherlands	25,11
Slovenia	34,25
Denmark	39,30
Turkey	42,18
Sweden	81,22
United Kingdom	86,38
Finland	97,25
Ireland	99,36
Norway	218,60

## Dutch Bier Club Reception - 1 December 2004



Mrs Ria Oomen-Ruijten - MEP, Dutch Vice-President of the European Parliament's Bier Club; Piero Perron - President of The Brewers of Europe; and Jack Verhoek - Secretary General of Centraal Brouwerij Kantoor (the Dutch Brewers' Association) have pleasure in inviting you to the Dutch Bier Club Reception on the occasion of the Dutch Presidency of the European Union on Wednesday 1 December 2004 from 18:00 till 21:00 hrs. The reception will be held for the very first time at The Brewers of Europe House (5 minutes walk from the EP, next to the Place du Luxembourg) on 23-25 Rue Caroly - B-1050 Brussels.

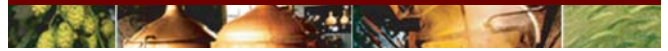
To mark the occasion the Dutch Brewers Association will hold a competition in the art of beerdraughting.

## Updates



- The Secretariat would like to thank and congratulate the President of the EP Bier Club, Mrs Marianne Thyssen, MEP, for accepting to remain as president for a second term.
- If you are interested to become a member of the EP Bier Club, send an e-mail to [info@brewersofeurope.org](mailto:info@brewersofeurope.org)

## Contacts



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**Secretary General - Rodolphe de Looz-Corswarem**

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