1. Approves the Commission proposal as amended;

2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;

3. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;

4. Asks the Council to consult Parliament again if it intends to amend the Commission proposal substantially;

5. Instructs its President to forward its position to the Council and the Commission.

Amendment 1
Recital 3a (new)

(3a) The European Parliament should be given the necessary time, and in any event no less than five months, to fulfil its consultative role, as defined in Article 128(2) of the Treaty, during the full revision of the Employment Guidelines, which is scheduled to take place in 2008.

Common organisation of the market in wine

European Parliament resolution on the reform of the common organisation of the market in wine (2006/2109(INI))

The European Parliament,


— having regard to Council Regulation (EC) No 1493/1999 of 17 May 1999 on the common organisation of the market in wine (\(^1\)),

— having regard to its position of 14 April 1999 on the proposal for a Council Regulation fixing the guide prices for wine for the 1999/2000 wine year (\(^2\)), its positions of 11 February 1999 (\(^3\)) and 6 May 1999 (\(^4\)) on the common organisation of the market in wine within the framework of Agenda 2000, and its positions of 11 December 2001 (\(^5\)) and 15 November 2005 (\(^6\)) on amending Regulation (EC) No 1493/1999,

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\(^2\) OJ C 219, 30.7.1999, p. 198.

\(^3\) OJ C 150, 28.5.1999, p. 289.

\(^4\) OJ C 279, 1.10.1999, p. 385.


having regard to the Commission’s working documents on ‘Wine — Common Market Organisation’ and ‘Wine: Economy of the Sector’ of February 2006 (1),

— having regard to the conclusions of the seminar ‘Challenges and Opportunities for European Wines’ organised by the Commission on 16 February 2006 (2),

— having regard to the external studies drawn up on behalf of the Commission (3) and the European Parliament,

— having regard to the opinions and discussions at the public hearing organised by the Committee on Agriculture and Rural Development on 12 July 2006 on a sustainable European wine sector,

— having regard to Rule 45 of its Rules of Procedure,

— having regard to the report of the Committee on Agriculture and Rural Development and the opinions of the Committee on International Trade and the Committee on Regional Development (A6-0016/2007),

A. whereas wine-growing is a key element of the European multifunctional agricultural model, is practised in more than 1.6 million holdings covering 3.4 million hectares and accounts for 5.4% of the value of EU agricultural production, but receives only 2.5% of European Agricultural Guarantee Fund spending: whereas, in principle, wine-growing has a positive effect on the environment, mainly by protecting soil from erosion, but also because it generally involves the extensive use of natural resources,

B. whereas European wine-growing is an important export sector accounting for 60% of world production,

C. whereas the vitality of this sector in terms of exports is based on a globally recognised tradition of quality,

D. whereas the EU is the world’s first producer, first consumer and first exporter of wine,

E. whereas important developments in the common agricultural policy (CAP) and in international agreements concluded and negotiations conducted by the EU, chiefly within the framework of the World Trade Organisation (WTO), which have taken place since the last radical reform of the common market organisation (CMO) in wine based on Regulation (EC) No 1493/1999, the situation of the market in this sector and experience in applying that regulation all mean that an adjustment to the new circumstances is necessary, and no further concessions can be asked of the EU,

F. whereas the reform of the wine sector must ensure a secure future for the CMO in wine and stability for wine-growers, and it is necessary to ensure that the reform is not called into question once more during the Doha round negotiations, in particular as regards internal support,

G. whereas the EU wine sector demands a firm political assertion by the EU in order to promote the place of wines and the wine sector in our society by the formulation through the CMO in this sector of a genuine European wine policy,

H. whereas the Commission must ensure that the reform of the sector focuses on developing a genuine Community wine policy that will help to improve production, processing and above all marketing structures in the EU, developing new and expanding markets and consolidating traditional ones,

I. whereas the abovementioned Commission Communication recognises the need for a specific CMO in wine and proposes a profound reform of the present CMO,

(1) http://ec.europa.eu/agriculture/capreform/wine/index_en.htm
(2) http://ec.europa.eu/agriculture/capreform/wine/sem_concl_en.pdf
(3) http://europa.eu.int/griculture/eval/reports/wine/index_en.htm
J. whereas, on the basis of the abovementioned Commission Communication and the accompanying studies and documents, an integrated proposal for the reform of the CMO in wine may be drawn up which will make use of elements contained in the alternative scenarios studied by the Commission, without, however, being identical to any one of these scenarios, and that therefore the option of a thorough reform of the CMO in wine with fundamental changes to the measures proposed should be viewed as suitable to achieve the objectives sought,

K. whereas the main objective of the reform of the wine sector should be to make the European wine sector more dynamic and competitive without losing its market share in international markets, with due regard to the interests of European wine producers and consumers, the European wine-growing tradition and the quality and authenticity of European wines,

L. whereas market stabilisation cannot be achieved through controlling quantities and political interference in production,

M. whereas the situation in the wine sector calls for fair and ambitious reform, which must ensure, by radical adjustment of the CMO in wine, that European wine-growing has a real future, without damaging production potential,

N. whereas this ambitious reform must provide sufficient resources that will cover both the financing of the adjustments required for the modernisation of the CMO in wine and any possible social consequences,

O. bearing in mind that the scenario of a ‘profound reform’ of the CMO in wine chosen by the Commission is open to criticism, in particular on the following grounds:

(i) the Commission’s basic analysis is wrong: the fall in internal consumption is overestimated (see the data of the International Organisation of Vine and Wine (OIV)) and is considered a major cause of the difficulties facing the industry; the recommended solutions, particularly mass grubbing-up, are inappropriate and do not respond to the main challenge facing the industry, which is competitiveness; one of the solutions for getting the European wine-growing industry out of the difficulties it is going through is an upturn in demand by means of the conquest of European and world markets;

(ii) the massive, indiscriminate grubbing-up plan that it recommends represents an unjustified attack on the European wine-growing heritage, especially in the most vulnerable areas, and is an inappropriate way of preventing European overproduction and strengthening the sector’s competitiveness in an expanding world market;

(iii) total liberalisation of potential is dangerous because it could harm efforts to restore the balance between supply and demand and lead to a relocation of wine-growing; the real issue, which is better circulation of planting rights within Member States, has not been tackled;

(iv) essentially the Commission’s proposals seek gradually to water down the measures to regulate the market and support wine-growers, by transferring funds from the first to the second pillar of the CAP, namely to rural development;

(v) European citizens are largely critical of the development of the sector, the way the regime is being managed and the commercial possibilities of European wines, while on the contrary the position of imported ‘New World’ wines on the market is largely strengthened;

(vi) no adequate measures are proposed with respect to the need to improve consumer information on wine quality of wine and the beneficial effects of wine on health when taken in reasonable quantities;

(vii) the Commission is envisaging a restructuring of European wine-growing that would lead to a concentration of production in the hands of several large wine-growing holdings and standardisation of the wines produced, which would thus endanger the diversity of European wines and the economic, social and cultural wealth of a number of European regions;
whereas, in response to the aggressive commercial policy of the 'New World', the CMO in wine needs to evolve in order to foster greater competitiveness in the Community wine sector and help the sector to adjust to changes in the world market without becoming a 'safety valve' for the world market;

whereas the reform of the CMO in the European wine sector is a unique opportunity to rebuild the competitiveness of that sector within an increasingly competitive international context;

whereas the review of the CMO in wine must seek to stabilise wine-growing regions and the sector as a whole, to regulate supply and demand in the most effective and integrated manner in line with the European wine-growing tradition and the quality and authenticity of European wines, convince consumers in Europe and elsewhere of the quality advantage of European wines and show that this is achieved by integrated and transparent Community legislation which has taken into account cultural considerations;

whereas the Community wine sector has a number of specific features in terms of growing methods and production and marketing structures which set it apart from other agricultural sectors; whereas the decoupled single payments system should therefore not be applied in this sector;

whereas only systematic information and promotion measures can make the wine sector more competitive, so as to be able to regain market share within the Community and conquer other markets in emerging countries; whereas an ad hoc promotion fund managed by professional and interprofessional organisations, associations for the protection of individual products or public regional development agencies should be set up to provide funding for such promotional activities;

**General principles of the reform**

1. Considers it indispensable to promote a reform of the CMO in wine based on the following essential principles:

(a) a simplification and harmonisation of legislative measures, based on recognition of the specific characteristics of the sector;

(b) reinforcing and improving the competitiveness of the European wine sector within an increasingly competitive international context;

(c) the maintenance of the CMO in wine and of the Community budget allocated to it under the first CAP pillar;

(d) the compatibility of the wine sector with CAP policies for a viable reform of the CMO in wine;

(e) a territorial approach that takes account of natural resources by ensuring the wine-growing sector's compliance with cross-compliance rules, and sound agricultural cultivation practices, i.e. introducing incentives which help it turn towards production methods which contribute to more and better ways of controlling production and protection of the environment with the ultimate objective of maintaining decent income levels for wine growers and improving product quality;

(f) the preservation of common rules within the CMO in wine with the addition of an extensive programme of structural support aimed at strengthening the competitiveness and sustainability of the European wine growing sector;

(g) subsidiarity in implementing the new regime, based on the realisation of national programmes of support and development for the wine sector, which must include Community policies and measures eligible for CMO appropriations in the wine sector, i.e. under the first pillar of the CAP;
(h) the gradual realisation of the new CMO in wine in two stages enabling an assessment to be made of the results following the first stage — and any possible adjustments of Community policies selected by the Member States and included in the national support and development programmes for the wine sector, without however any changes being made to the allocation of the CMO in wine budget appropriations between the Member States;

(i) an increase in the role and the co-responsibility of producer organisations and other professional organisations in the sector and the adjustment of the vineyard register;

(j) specific promotion campaigns to regain market share and open up new markets within and outside the EU, and consumer information campaigns to promote responsible and moderate consumption of wine in Europe;

2. Emphasises that the reform must also take into account:

(a) the enlargement of the EU to include Bulgaria and Romania, two countries with significant wine production sectors, which will have to adapt both to the new market and intervention measures, and to the controls and monitoring of the new regime;

(b) the increasingly competitive international context in terms of both production and consumption;

(c) the steadily developing market in China which is actively embarking on wine production, and the increase in production of the other new wine-producing countries, such as Australia, New Zealand, the USA, Canada and South Africa;

(d) the impact of the EU's trade agreements;

(e) international negotiations in the WTO in the context of the Doha Round, which should under no circumstances call into question the principles of the reform, which should be incorporated in the commitments under this Round, especially as regards internal support;

(f) the prospects of the CAP, in particular future funding, in respect of which discussions will begin in 2009;

Deregulation of the CMO in wine — single Community policy

3. Believes that the reform of the CMO in wine should set objectives and make policies, market balance measures, structural interventions and rules governing the labelling and classification of wines more consistent by defining CMO in wine objectives and the policies that may help achieve them; considers that this overall consistency must, however, be based on the principle of subsidiarity so as to respect national and regional particularities and signal that the EU will endeavour, through coordinated policies, to conquer markets and win the confidence of consumers;

4. Considers that the transfer of funds from the first to the second pillar of the CAP which implies co-funding through the agricultural development programmes is illogical and should be rejected in favour of allowing the national financial frameworks to be provided with financial resources and ensuring a viable development for the sector through the national financial framework measures notified by the Commission;

5. Recalls that the distribution of Community funds in other agricultural sectors reformed within the framework of the new CAP by creating 'national envelopes' took place by adopting an approach based on the full or partial decoupling of Community aid; stresses that the new CMO in wine must be based on the implementation of uniform measures, common to all Member States, and on measures within the scope of subsidiarity that make it possible to take account of the sector's specific needs in all Member States and production regions; adds that in each Member State the sector (production, trade, inter-trade bodies, production regions, etc.), in cooperation with the regional and national administration, should set out, by means of a series of programmes, how to achieve the aim of adapting production to the market by means of one or more of the measures among those defined in the context of the national envelopes: considers that the measures coming within the scope of subsidiarity must be defined and supervised at European level, to prevent distortions of competition, and must be entirely financed by the Community budget;
Reform in two phases (2008-2011 and 2012-2015)

6. Takes the view that if it is to attain its objectives, the reform must be phased in two stages: in the first phase (2008-2011) the objective must be to balance, reorganise and increase the transparency of the market, strengthen productive bodies and wine-growing regions, by gradually adopting measures — which will be essentially of a uniform Community nature — and prepare the European wine sector for a more aggressive opening of the markets, gradually moving the resources recovered from distillation over to support for competitiveness and development;

7. Points out that, in view of the probable scale of the consequences of the reform, its complexity and the need for a gradual approach in its implementation, a mid-term review, accompanied by an intermediate phase, following the first phase, is essential, to assess the first impact and perhaps readjust all the resources already laid out or not yet expended taking account of the original aims;

8. Stresses that, because the present situation calls for immediate measures to resolve the problems of the European wine-growing sector, the policies designed to support the reform — either with the current Community budget or, where necessary, with an increase therein — should be implemented from the outset, to an increasing extent in the case of some, such as the promotion of marketing and improving quality, but to a decreasing extent in the case of others, such as market intervention mechanisms;

Profound reform of the CMO in wine — compatibility with the new CAP

9. Emphasises that, in principle, wine-growing has a positive effect on the environment, mainly by protecting soil from erosion, but also because it generally involves the extensive use of natural resources; considers that, for these reasons, and in order to bring the regime in line with the spirit of the new CAP, environmentally friendly basic agricultural cultivation practices can be supported and funded from the CMO in wine budget at Community level;

Controls on production to monitor quality, environmental impact and market equilibrium

10. Points out that laying down a framework for the method of producing table wines will also help clarify their terms of marketing and differentiate them from wines with geographical indications which are subject to much stricter conditions of production and are protected at local and regional level;

11. Considers indispensable the compulsory compliance of wine-growers with agricultural cultivation practices and environmental, plant health and other standards so as to contribute to environmental protection, controls on primary production, limiting potential yield, combating surpluses and improving the quality of wines, thereby reducing the volumes which are distilled;

Distillation — mechanism for crisis management and market stabilisation, environmental protection and quality enhancement

12. Stresses that the Commission’s proposals to maintain the distillation or withdrawal of by-products without funding do not make sense, since distillation concerns wine producers, but is carried out by distillers, which in effect makes the measure inoperative; stresses also that the Commission proposal for the controlled withdrawal of wine by-products will create serious environmental problems in major wine-producing regions; notes that the proposal for abolishing dual-purpose distillation will lead to the vinification of large volumes, thereby significantly disrupting the regional and European market and creating problems within regions; points out that, as the Commission proposal suggests, a failure to absorb existing surpluses will create shock waves which will significantly affect the market and wine-growers’ incomes;

13. Emphasises that distillation of wine was originally introduced as an urgency measure only, but has become the most costly and disputable part of the CMO in wine; therefore distillation schemes should be phased out over a reasonable transition period which allows wine producers to consolidate or move towards sustainable production methods and quality wine production; points out that, during this transition period, wine producers having taken advantage of distillation should be enabled to establish themselves on quality markets, using grubbing-up schemes, voluntary supply management and rural development measures for better marketing of the quality wines and diversification;
14. Is opposed to the immediate abolition of the distillation mechanism and other market support measures because, although there is obviously room for improvement in the planning and use of such measures, it does not seem appropriate to abolish them without a transitional period in order to take advantage of the benefits offered by some of those measures; stresses that, during the transitional period, there should be a gradual reduction in the amounts allocated to market intervention mechanisms at the same time as including measures designed to improve quality, to promote and to market European wines;

15. Takes the view that aid for the distillation of wine by-products should be continued in order to maintain the quality of European wines and obviate any damage to the environment caused by the withdrawal of such products; believes, furthermore, that continued support should be provided for potable alcohol distillation, given that this is the only form of distillation for which there is a genuine market outlet;

16. Considers that the distillation of by-products must be reviewed as regards implementation, in order to make it less costly at Community level, in particular by permitting the sale of some of the alcohol to other outlets, such as potable alcohol;

17. Considers it necessary, during the initial phase of the reform, to convert the four present distillation measures into two:

(a) compulsory distillation, which will act as a safety net and allow the gradual reorganisation of the market, serving environmental and quality objectives;

(b) voluntary distillation of wine alcohol which will allow the adaptation of the sector for wine alcohol used for incorporation into certain wine products (liqueur wines, brandies) or in the wine balance;

18. Considers it necessary to create a new crisis management mechanism to be used in the event of specific, serious and real situations of emergency that should be identified in accordance with objective criteria defined beforehand at Community level;

19. Believes that the public storage of alcohol should be abolished and that the sale of alcohol obtained through crisis distillation should be replaced by the immediate organisation of direct sales through invitations to tender;

Unrestricted grubbing-up — grubbing-up subject to criteria

20. Stresses that the above Commission communication emphasises grubbing-up as a measure to reduce production and the workforce in the sector instead of promoting production control through measures to regulate supply and demand; considers that the consequence of this policy will be that the desired strengthening of the competitiveness of the wine-growing sector will not be achieved; asserts that enhanced subsidiarity may not be used as an alibi for reckless deregulation which will lead to unfair competition even within the borders of the EU;

21. Considers that the issue of permanent abandonment of wine-growing must not be the centrepiece of the reform of the CMO in wine, but that it should instead be one of the parameters of structural interventions financed by the CMO in wine budget through national financial frameworks, aimed at reviving wine-growing potential and gradually adapting the wine sector to market requirements;

22. Considers that the initiative of permanent abandonment must lie with the producer, provided that Member States are able to approve or reject permanent abandonment using environmental, social, national and/or regional criteria that are compatible with conditions defined beforehand at Community level; considers it essential to make provision for each Member State or each region to set a permissible upper limit for grubbing-up for each region and that they should have the opportunity to select which categories of wine will take priority in the grubbing-up programme;

23. Considers that the objective Community criteria restricting the possibility of permanent abandonment may include the following: (a) vineyards in mountainous, coastal and island regions mainly producing wines with geographical indications; (b) vineyards on slopes where soil erosion and the loss of biodiversity must be prevented or in traditional regions of historical importance; (c) vineyards producing wines with a commercial outlet; (d) vineyards where excessive reduction would threaten the existence of a whole terroir or a registered designation of origin; (e) vineyards which received structural aid under Community programmes; (f) cases where the abandonment of wine growing creates environmental risks;
24. Considers that objective Community criteria which are in line with a more general restructuring of the productive and human potential in the countryside and which may facilitate the choice of permanent abandonment include the following indicative cases: (a) vineyards which now have a very low yield and have no prospect of recovering their potential; (b) cases in which wine growers are included in the early retirement scheme; (c) vineyards unsuited to the production of quality wines or which have commercial opportunities;

25. Recommends that, in addition to the permanent abandonment scheme, temporary grubbing-up could be introduced with each Member State deciding whether to introduce it; considers that temporary grubbing-up would allow the wine grower to receive some financial support, as the planting rights would be consolidated for several years, at the end of which the wine grower could replant, dispose of his planting rights or apply for conversion to permanent grubbing-up if the scheme is opened by the relevant Member State;

26. Maintains that grubbed-up areas for which flat-rate compensation is to be paid must be able to be added to the areas eligible for the award of rights to uniform decoupled aid; believes that, when fixing the grubbing-up premiums and the single payment, the minimum environmental requirements should be considered in order to avoid land degradation; considers that Member States should be able to provide wine growers in the grubbing-up programme with additional support from the resources of the support and development programmes for the wine sector or by applying the fluctuation mechanism and/or through the redivision of the national reserve of single-payment rights so that producer support can reach the level of the national or regional direct decoupled payment; considers that no compensation can be paid for the grubbing-up of illegal plantations;

Ban on new plantings — gradual liberalisation of new plantings

27. Considers that it is appropriate to proceed in a prudent and transparent manner as regards the progressive reattribution of new planting rights, in order to avoid unverifiable development in the EU's wine-growing potential having negative effects on the market: considers that the Member States must submit programmes which indicate the targeted level of plantation, an assessment of the developments in the granting of rights, the varieties concerned in each region and the time-table for application; stresses that the new plantation rights should primarily be given to young farmers, producers of quality wines and undertakings which have been integrated into the programmes for improvement of quality and marketing and which must be integrated into the readjusted wine register; considers that each Member State, in cooperation with the regions, sectoral organisations and producer groups must, with the launching of the grant of new planting rights, assess the grubbing-up programme and the way it has developed; considers that, before granting new planting rights, it will be necessary to evaluate the situation of plantings which have not been legalised or are illegal;

28. Emphasises that, regarding areas producing wines with geographical indications it may be necessary for decisions regarding liberalisation to be taken by the competent regional authorities, given the need to protect the value of investments by wine growers in such areas, to prevent the geographical indication in question from being devalued and to ensure continued product quality control;

29. Considers that new plantings may not be considered as actions eligible for funding such as restructuring, cultivation practices, cross-compliance and crisis management, but that they may on the other hand be considered, inter alia, as collective actions of producers organisations and/or the sectoral organisations pursuing policies for promotion, consumer information, market research and compensation for natural disasters which are included in the national support and development programmes for the wine sector;

Vineyard register — tool for effective control and management of the CMO in the wine sector

30. Recommends that Member States keep a register of the vineyards indicating varietals planted and number of vines in each unit (pursuant to Regulation (EEC) No 2392/86) (1);

31. Emphasises that the vineyard register is the basic tool for controlling compliance with production limits;


**Enrichment**

32. Is aware that enrichment has a direct impact on production levels, as it may entail an increase in the quantity produced per hectare; stresses, nevertheless, that the issue of maintaining or abolishing aid for concentrated grape must or rectified concentrated must is closely and inseparably linked to the abolition or maintaining of enrichment with sucrose, bearing in mind also the fall in sugar prices resulting from the reform of the CMO in sugar, the various oenological traditions of the Member States, the advisability and technical feasibility of confining the use of such practices to certain precise maximum quantities, as well as possible alternative uses of must that would have a positive impact on reducing wine surpluses;

33. Considers that approval for enrichment with sugar may be linked by Member States to conditions such as checks on measures to raise quality (e.g. compliance with yield ceilings) and to climatic conditions;

34. Believes that enrichment has to be allowed in every wine growing region, where it was traditionally used and where no structural surpluses exist; believes that the Commission’s proposal on reducing the maximum level of enrichment is not justified and that the present rules have to remain in force;

35. Takes the view that the use of sugar to enrich wine should not be banned because to do so would be to discriminate against Member States located in parts of the EU where it is more difficult to grow wine owing to a less favourable climate;

36. Emphasises the need to provide for aid for concentrated grape must or rectified concentrated used for enrichment, since it is necessary to preserve an historical oenological practice;

37. Stresses the need to maintain aid for must used to produce grape juice, the aim being to maintain a product used for a purpose other than wine production that is important for the sector and helps to maintain market equilibrium;

38. Considers that, in the event of enrichment by the addition of concentrated must, the must should come from the same production area;

39. Points out that the study linking enrichment using sugar with over-production of wine in the EU dates back to 1991, does not reflect current market conditions and in any case did not provide meaningful data;

**Public intervention concerning alcohol — private storage of wine and must**

40. Considers that the possibility should be examined of maintaining the private storage of wine and must, at least during the first phase of the reform (2008-2011), taking into account the proposed restrictions on distillation and the abolition of public storage;

**Professional and sectoral organisations**

41. Stresses that sectoral organisations may take initiatives, provided that a Community authorisation framework is established, which could cover, for example: the fuller exploitation of the production potential, consumer information concerning moderate wine consumption, the conduct of the research necessary to channel production to products which are better geared to domestic and export market requirements, indispensable commercial investments, the search for new means of restricting the use of plant protection substances, the switch towards organic farming, etc.;

42. Calls on the Commission, in its proposal, to demonstrate a determination to reform the wine-making sector, in particular by means of an effective and concrete Community policy to promote European wine, by making provision for appropriate financial commitments;
43. Considers it appropriate to set up a specific fund for the promotion of European wines via professional, sectoral and consumer protection organisations and public agencies for regional development;

44. Believes that the Commission should lay down some activity guidelines for the promotion of European wines, based on moderate and responsible wine consumption and accompanied by the requisite funding:

**Labelling and promotion of European wine**

45. Takes the view that the EU must seek to achieve the consolidation of market share, recognition and protection of wines with a specific geographical origin at a worldwide level; points out that these wines will be more easily recognised if labelling is simplified;

46. Considers that to produce a quality wine by traditional methods and to label it specifically, without at the same time promoting it properly on the world market, is insufficient to ensure that demand is maintained or possibly increased; considers it essential to this end to devise specific, properly financed measures aimed at enhancing the ability to communicate the quality of European wine to the world market;

47. Considers, in view of the recent redefinition of the provisions concerning labelling in Regulations (EC) No 1991/2004 (1) and (EC) No 1427/2004 (2), that an assessment should be made of the effects of the changes introduced before any further change is made;

48. Stresses that oenological practices which are not allowed in the EU must clearly be labelled on imported beverages which refer to the image of wine;

49. Believes the labelling of EU wines to be essential; considers, however, that it should not be more complicated that the labelling of wines from third countries;

50. Calls for harmonisation of the Member States' rules concerning the language to be used on labels, in order to ensure that operators are not obliged to translate certain information from one language into another in cases where the term used in the target country is very similar and hence there is no risk of creating confusion amongst consumers;

**A proactive and ambitious EU external trade policy for wines as a pillar of the CMO in wine**

51. Points out that the difficulties facing the wine sector arising mainly from increasing wine imports from third countries and increasing numbers of wine stocks which exceed one year's production and have little prospect of being disposed of, exert a downward pressure on prices and producers' incomes and need to be tackled by the establishment of a set of basic priorities not taken into account in the abovementioned Commission communication, including, for example, encouraging moderate and responsible consumption, reallocating budgetary resources with a view to reaching new consumers and winning new markets or even recapturing markets, promoting quality and boosting research;

52. Calls on the Commission to make all possible efforts in order to strengthen the protection of geographical indications, by increasing the requirements and creating a common framework for them at European level as well as at biregional and multilateral level, particularly within the WTO and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) for the setting up of a multilateral register of wines and spirits, and to combat counterfeiting and any form of misuse of European geographical indications and traditional denominations in third countries;

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53. Considers it necessary to secure better protection of protected geographical indications and protected designations of origin within the framework of the WTO negotiations and bilateral agreements, as a major contribution to maintaining quality wine production linked to local areas and practices;

54. Stresses that, in order to enhance the sector's competitiveness on international markets, a proactive and ambitious external trade policy for European wines needs to be drawn up in close cooperation with organisations representing European operators, together with a redeployment of budgetary resources and appropriate means;

55. Stresses the need, as part of this external trade policy for European wines, to conclude bilateral agreements with third countries on the wine trade, on the basis of mutual recognition and protection of geographical indications;

56. Recalls that the EU has pledged to phase out its export subsidies by 2013; calls on the Commission to mitigate the consequences of reduced subsidies by improving the availability of resources for income diversification of wine producers and by introducing qualified market access for wine products, in so far as this is necessary to preserve equilibrium in the European market;

57. Calls for wine to be included in the WTO list of sensitive products;

58. Believes that owing to the existing particularities of the regime of geographical indications of wines, the possibility could be examined, during the first phase of the reform (2008-2011), of incorporating the provisions of Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs (1) subject to the necessary adjustments, in the new CMO for the wine sector; points out that during the second phase of the reform (2012-2015), once the gradual classification and uniform registration of wines has been achieved at Community and national level during the first phase, the advisability of incorporating the provisions of the future regulation on the new CMO for the wine sector relative to geographical indications in Regulation (EC) No 510/2006 should be examined;

59. Stresses the importance of non-trade concerns within the WTO framework; calls on the Commission to develop a labelling scheme for imported wine derived alcoholic drinks, which do not comply with the European oenological practices and therefore should not be labelled as wine;

60. Points out that lifting the ban on vinification of imported must poses one of the most significant risks as regards the adulteration of wine, the distortion of the market and a reduction in Community production, and that any agreement to this end must be prevented by the Commission within the framework of the WTO;

61. Considers that under Community law there should be a ban on the fermentation of imported musts and on the mixing thereof with Community musts, since such procedures are not consistent with other measures proposed by the Commission, such as grubbing-up and the withdrawal of funding relating to the use of concentrated must for the purpose of increasing alcoholic proof;

62. Emphasises that there is no obligation to negotiate within the WTO on the possibility of blending imported wines from third countries and blending them with Community wines, and opposes such a development, since it will create enormous problems as regards the origin, provenance and identification of products, and the degradation of wine produced in European countries;

63. Considers it essential that in order to protect the quality and the reputation of European wines, only wines and musts produced within the EU should be admissible for the purpose of making European wines;

International Organisation of Vine and Wine — bilateral trade agreements

64. Believes, at a time when the EU is conducting difficult negotiations in the WTO and concluding bilateral agreements aimed at safeguarding European food products, products with geographical indications, organic produce, etc., the Council should — subject to consultation of the European Parliament — be the body responsible for approving new oenological practices, because if this competence is transferred to the Commission the designation and classification of quality wines in the EU would be jeopardised; considers that such oenological practices should be entered on a positive Community list;

65. Calls on the Commission to use every possible means to prevent fraud and abuses of designations of geographical origin in third countries;

66. Considers that the CMO in wine must not be deprived of all financial means at European level through transfers to the second pillar of the CAP and the return to national competence of measures opening the way to distortions of competition and discrimination between production/marketing structures and between Member States;

67. Maintains that oenological practices must not cause confusion among consumers, adulterate quality or create unfair competition; stresses that hitherto authorised oenological practices cannot be automatically authorised and approved for use in the EU, even where wines are intended for export to regions where such practices are authorised;

68. Considers that bringing together all oenological practices under the International Organisation of Vine and Wine is a step in the right direction provided that those practices are assessed and established on the basis of scientific and technical studies, whilst guaranteeing food safety and public health;

Information and promotion of moderate responsible consumption of wine

69. Notes that there has been a steady drop in wine consumption in Europe, mainly in the traditional wine consuming countries, which is one of the causes of the structural surplus of wine; notes that in recent years exports of wine have stagnated, while imports have grown dynamically, making it vital that the European wine-growing sector becomes more competitive; asks the Commission to submit a report directly explaining the reasons for the fall in European wine exports in recent years and the dynamic growth in imports from third countries, specifying in particular the extent to which bilateral trading agreements with third countries have been implemented, the account taken of the legitimate trading interests of the EU and European producers and the appropriate use made of common trading policy mechanisms in response to these problems;

70. Points out that the sustainable development of the European wine sector requires the redeployment of substantial budgetary resources within the CMO in wine for the promotion of moderate responsible consumption of wines; considers that reinforcing the trend towards an increased moderate and responsible consumption of wines is a positive major contribution to the protection of European consumers and the public health; these measures must be developed by an effective partnership between the Community, the Member States, the regions and the wine sector itself, which has a major role to play;

71. Calls on the Commission to introduce a proactive trade policy to promote the quality of European wines and defend European wine-making processes;

72. Stresses that the Commission's priorities should also include stepping up promotion of wine products and efforts to win new consumers and markets, especially in connection with exports and the new emerging markets, through a proactive and ambitious external trade policy with appropriate resources;

73. Considers that it is essential to promote and provide funding for consumer information concerning the qualitative characteristics of wine produced in Europe in accordance with controlled traditional oenological practices, in order to protect consumers from imported products of dubious quality and to promote wine produced in Europe on the internal and world markets;
National envelopes — uniform Community policies based on support and development programmes for the wine sector

74. Stresses the need to maintain the Community budget and not to transfer funds from the first pillar to the second pillar of the CAP, which concerns rural development, since this might result in the dilution of resources at the expense of the wine sector; demands that measures eligible for funding be clearly specified, so as to guarantee that funds are in fact used for the wine sector;

75. Recommends, on the basis of the objectives of a viable and competitive reform of the CMO in wine, that a Community framework be laid down, which may be implemented at national/regional level, including in relation to means of funding which must come under the first pillar of the CAP, i.e. CMO in wine resources; believes that these policies may include: restructuring of vineyards, measures to improve recording and marketing structures, agricultural cultivation practices and environmental standards within the framework of quality management, crisis management mechanisms, research into the production and improved marketing of products, addressing natural disasters and promotion and information of consumers and grubbing-up, and, during a transitional phase, private storage, distillation measures and other valid market mechanisms;

76. Stresses that the reform of the CMO in wine should give priority to framing policies which will contribute to strengthening competitiveness and improving the quality of European wines; maintains that Community resources should be allocated to the national support and development programmes for the wine sector on the basis of common criteria so that there are no disparities between Member States or regions;

77. Stresses that, in selecting the method of allocating Community resources to each national support and development programme for the wine sector, account should be taken of the fact that market intervention measures — which have been used in totally different ways by Member States — absorb a significant portion of the resources of the current CMO in wine;

78. Considers that, based on statistical data of production and surface area of wine cultivation, in each Member State during a given period, for instance the period 2001-2005, the budget of the national envelopes may be allocated at the outset, so as to enable each Member State to use — within its appointed ‘envelope’ — whatever tools it considers appropriate within a regulatory framework established in advance at Community level in accordance with objective criteria, within which framework the measures laid down will provide the same support for all the Member States;

79. Considers, however, that a second valid solution might also be one based on the amounts used by each Member State during the current CMO in wine, or the drawing up of a formula and/or mixed criterion that takes into account historical data, the size of the vineyard and the quantities produced and marketed for each Member State, thereby ensuring a system of premiums that would meet the objectives of the reform;

80. Considers it indispensable, where a Member State considers supplementary aid for improving its structural interventions in the wine sector to be necessary, that it can also co-fund them from the second pillar of the CAP in the case of eligible actions; considers that these actions concern chiefly a combination of structural interventions and early retirement schemes and policies for supporting young men and women farmers;

81. Considers that new plantings may not be included in eligible funded actions;

82. Notes that any reform of the CMO in wine must protect and strengthen the competitiveness of European wine producers; stresses that innovative capacity and dynamism are vital aspects in this connection;

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83. Instructs the President to forward this resolution to the Council and the Commission.