COM/2025/137 Proposal for a Regulation amending Regulations (EU) No 1308/2013, (EU) 2021/2115 and (EU) No 251/2014 regarding certain market rules and sectoral support measures in the wine sector and for aromatised wine products

## Questions (original list of questions commissioned on 23.06.2025)

1. Can you provide information on the volume of GB-NI, and NI-GB movements of wine products which would fall under the scope of the proposed Regulation? What percentage of these movements use the NI Retail Movement Scheme?

Officials contacted relevant contacts in the Department, but this was not information which could be provided. This is because over 200 packing lists are processed per day and every packing list would need to be checked for wine and if the product name is used rather than wine it would be missed.

Northern Ireland (NI)-Great Britain (GB) movements of wine are considered to be nil as there is no wine production in NI, nor are we aware of wine being bottled in NI and moved to GB. Moreover, these measures will not have any impact on the movement of qualifying NI goods from NI to GB. 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.

The Regulations being amended by this proposal are disapplied by Annex I of Regulation (EU) 2023/1231. This means that goods can move from GB to NI 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.

## 2. <u>For businesses which use the red lane, can you provide information on the cost implications of adapting to the new rules?</u>

We do not believe a significant number of businesses currently use red lane procedures for wine movements. It is our understanding that businesses which use the red lane to move wine from GB-NI would have to meet the new requirements however, the cost implications for this are not known.

Defra has indicated it believes that the new rules would not have a significant impact on businesses which use red lane for wine movements. Further, UK stakeholders had the opportunity to respond to the EU consultation on the proposals and no issues were raised by UK businesses.

The European Commission did not conduct an impact assessment in view of the urgency to act to respond to the pressing challenges that the wine sector is currently facing. The costs and benefits of the initiative will however be assessed in a Staff Working Document to be published within 3 months of the adoption of the Regulation.

3. The UK Government's EM states, "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." Has the UK Government informed you about its discussions with the European Commission on the proposed Regulation?

Officials have not been informed on any discussions between the UK Government and the European Commission about the proposed Regulation.

4. The assessment of impact states, "There has been limited engagement with Defra regarding the preparation of the DAERA Impact Assessment and the Defra Explanatory Memorandum for the proposed Regulation. Policy officials will continue to engage as the Commission's plans develop and further information is released." Can you expand on the engagement you have had with Defra on the proposed Regulation?

Regarding this specific Regulation, officials have engaged on an ad hoc basis with Defra:

- when first notified of the EU proposals;
- during the preparation of the UK Government EM; and
- during the preparation of the DAERA Impact Assessment.

Officials also engage in a monthly policy group meeting with policy leads in Defra, Scottish Government and Welsh Government discussing spirit drinks, wine and cider.

5. The EM states, "NI has no wine production nor a significant wine bottling industry." How many companies bottle wine in Northern Ireland and have you engaged with this small sector?

It is our understanding that only Encirc in Co. Fermanagh offer wine bottling. No direct engagement has taken place with Encirc on the proposed Regulation.

However, stakeholders operating within Northern Ireland had the opportunity to provide feedback during the EU Have Your Say consultation period which run for 8 weeks from 07 April 2025 - 02 June 2025. No responses were recorded from the UK or Ireland.

## 6. The Council of the EU has agreed its negotiating position on the proposed EU act and has proposed a number of changes. Can you comment on these proposed changes and do any of these change DAERA's overall assessment of the proposed EU act?

Many of the proposed changes, such as updates to planting authorisations, market support or financial assistance relate to the production of wine and are not relevant to Northern Ireland.

Changes to (EU) 2021/2115 and the updates to (EU) 2021/2116 are not applicable to Northern Ireland.

The changes relating to labelling will apply in Northern Ireland. The initial draft proposed an update to enable the Commission to bring forward delegated legislation which would harmonise the use of e-labelling. This would include the nutrition declaration and list of ingredients, along with the use of symbols and pictograms to communicate this information. This update has now been included in this draft Regulation, resulting in changes to e-labelling coming into effect 18 months after the Regulation's entry into force.

The proposed descriptor "alcohol-light" has been updated to "low-alcohol" to refer to a wine product with an alcohol content above 0,5% by volume and at least 30% below the minimum alcoholic strength of the category before de-alcoholisation. Feedback on the "Have your say" portal indicated concerns that the term "alcohollight" might be confused with a reference to the nutrition or sugar content.

As the UK has not regulated in this field, 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. However, current GB guidance for terms used to describe Low/No products states that low alcohol products must be 1.2% abv or less. There is a potential for some consumer confusion in NI for products sold in other categories with the same term under different definitions, for example, in beer.

The updates also include clarification that mandatory particulars need only appear once, and an exemption for labelling requirements for EU wines exported to third countries. Both changes were requested by respondents to the "Have your say" consultation.

These latest updates do not change our overall assessment of the proposed EU Act.

## Two additional questions from DSC (commissioned on 27.06.2025)

7. Further detail about the issues for the Department in obtaining information regarding trade in wine products between Great Britain and Northern Ireland, and the proportion of this which uses the Northern Ireland Retail Movement Scheme.

Businesses move goods under NIRMS on the basis of a single General Certificate for eligible consignments, supported by a packing list. Approximately 200 packing lists are received daily.

In order to monitor wine movement under NIRMS, each packing list would need to be individually checked for wine. Furthermore, if the product name is used on the list instead of the term "wine", the wine product could be overlooked. Thus, it is not feasible to obtain information of the volume of wine product movement from the packing lists.

8. The Committee also noted that the European Commission did not produce an impact assessment on this proposal and agreed to ask whether the Department can provide further information on the requirements for the European Commission to produce impact assessments (and whether this is optional or mandatory).

The need for an impact assessment is considered by European Commission staff on a case-by-case basis. However, the EU's 'Better Regulation' policy requires impact assessments for most of the Commission's initiatives, especially those expected to have significant economic, social, and environmental impacts. The Commission considers these assessments a key part of the process to ensure informed decision-making, that any new rules are properly considered, and that unintended consequences are avoided.

<u>Commission guidelines</u> state that "where an impact assessment is required in principle, but this is not possible and a derogation is granted, an analytical document in the form of a staff working document presenting the evidence behind the proposal and cost estimates should be prepared within three months of the initiative's adoption".

The findings of the impact assessment process are summarised in an 'Impact Assessment Report'. The quality of each report is checked by an independent body of Commission officials and experts from outside the Commission, the <u>Regulatory Scrutiny Board</u>.

Therefore, while impact assessment reports would normally be produced for significant proposals or legislation adopted by the Commission, they are not strictly mandatory in all instances.

Consistent with Commission guidelines, for proposal <u>COM/2025/137</u>, the explanatory memorandum accompanying the legislative text states that "given the urgency to adopt the initiative, no impact assessment will be carried out. The costs and benefits of the initiative will be assessed in a Staff Working Document to be published within three months of its adoption."

When considering the principle of proportionality (that EU action does not exceed what is necessary to achieve the objectives), the explanatory memorandum notes that the proposal is based on the recommendations of the 'High-Level Group on Wine Policy' (HLG), and that the HLG discussions were informed by an <u>in-depth analysis</u> conducted by experts from the Wine Market Observatory. Via three special sessions, the expert group "assessed the state of the EU wine market, exploring different policy options to address current challenges and help the sector seize potential future opportunities".