For a Single Market with a purpose
A FoodDrinkEurope Manifesto
Vytenis Andriukaitis
European Commissioner for Health & Food Safety

The European Single Market is celebrating this year its 25th anniversary and we must seize this celebration as a chance to highlight all the things we take for granted. We are happy to mark this occasion as the overall achievement of a success story.

As Europe’s largest manufacturing industry, the food and drink sector has benefited from the Single Market, which has allowed for the free circulation of products to a level never known until now. Facilitating innovation, creating the right regulatory environment, establishing standards which make European food and drink products the safest in the world are milestones we can be proud of. I look at the coming 25 years and hope that we can now reinforce this sound basis for the benefit of all.
The Single Market for the food and drink industry in figures

Single Market key facts

90% of the food and drink industry’s turnover generated within the Single Market

More than €1,100 billion spent by EU consumers on food and drink products

€255 billion intra-EU exports of food and drink products

4.24 million employees Leading employer in the EU

Intra-EU exports

Almost ¾ of EU food and drink products exported by Member States are destined for the Single Market.

Intra-EU exports account for more than 25% of the food and drink industry turnover. In some Member States, such as Belgium and the Netherlands, more than 50% of the turnover is generated by exports to other Member States.

For most sectors, intra-EU exports by far exceed extra-EU exports, with the exception of drinks.

The EU Single Market has contributed to substantial growth in intra-EU trade. Since 1995, intra-EU exports, as % of GDP, have increased by 45%.

However, after a decade of steady growth (2003-2013), intra-EU trade, as % of GDP, has slowed in recent years.

SMEs

SMEs make up 99% of the food and drink industry and 62% of its jobs.

92% of EU food and drink companies that export their products to other Member States are SMEs.

Intra- and extra-EU exports of sectors (2016, € billion)

<table>
<thead>
<tr>
<th>Various food products</th>
<th>EU15</th>
<th>EU25</th>
<th>EU27</th>
<th>EU28</th>
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<tbody>
<tr>
<td>Meat products</td>
<td>51</td>
<td>47</td>
<td>10</td>
<td>29</td>
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<tr>
<td>Dairy products</td>
<td>31</td>
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<td>6</td>
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<td>Drinks</td>
<td>29</td>
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<td>6</td>
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<td>Processed fruits and vegetables</td>
<td>23</td>
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<td>Oils and fats</td>
<td>18</td>
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<td>Fish products</td>
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<td>Bakery and Farinaceous products</td>
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<tr>
<td>Animal feeds</td>
<td>10</td>
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<td>Grain mill products and starch products</td>
<td>7</td>
<td>4</td>
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Benefits of the Single Market

Thanks to the Single Market:
- Availability of food and drinks at affordable prices has increased.
- Consumers are able to access different shapes and sizes of food and drink products, they can very well enjoy.
- Food and drink manufacturers enjoy healthy competition, providing products of high quality to the benefit of consumers.
- A harmonised approach within the European Union.
- Spain benefits from the principle of mutual recognition, reducing bureaucracy to the Single Market for spirits.

However, the Single Market for spirits has increased prices in European countries, reducing its key.

The Single Market is a chance to meet consumer demand while at the same time growing business and ensuring jobs.

- Harmonisation of taxes and procedures of EU harmonised products has made it easier for companies to trade between EU countries.
- Mutual recognition of non-harmonised products has resulted in the possibility for non-harmonised products to be marketed across the European Union but not in another, so national rules must be enforced to facilitate trade.
- Tomatoes, as one of the most stable agricultural products, are subject to a common stable regulatory framework, which is a success factor for investors in the food sector.
- Mutual recognition has made it easier for companies to have access to the whole European market without barriers.
- Mutual recognition of non-harmonised products has resulted in the improvement of the national industry and the economic activity, allowing trade in another country but not in another.
- Mutual recognition has made it easier for companies to have access to the whole European market without barriers.

The Single Market has delivered benefits and led to numerous achievements for the Spanish dietetic and food supplements industries, and it is essential to our growth.

AFEPADI

SPAIN

The Single Market has delivered benefits to the Spanish food and drink sector, allowing companies to access new markets and increase their competitiveness.

Licor Beirão

SPAIN

The biggest challenge for Licor Beirão stems from the lack of proper implementation of the Single Market.

Balsnack

SPAIN

You can never really feel the effectiveness of the Single Market on a day-to-day basis.

Baltinova

SPAIN

The Single Market has added value to our products.

Mascaró

SPAIN

It enables us to have a Single Market with a single regulatory framework, allowing us to access new markets.

Sterilitom

SPAIN

We were surprised that in some ways it takes more effort to export to European than to non-European markets.

Glenisk

IRELAND

We need a uniform approach.

Unlocked potential – What are the main outstanding challenges?

The food and drink sector is heavily regulated and often perceived as an example of great achievements but in reality, it is currently facing a clear trend towards re-nationalisation of regulatory measures, making it more and more difficult to fully benefit from the Single Market.

- An increasing trend in individual Member States to re-nationalise policy areas, for instance in the area of origin labelling.
- Non-harmonised implementation of EU law in national legislations.
- Non-harmonised approach in non-harmonised policy areas.
- Introduction of different national legislations in non-harmonised areas.
- The effectiveness of mutual recognition and exportation remains a constant concern for investors against Single Market rights.
- Differing risk assessments between EFSA and national authorities, leading to non-effective means of appeal.
- Non-harmonised approach to control of origin.
- Incomplete Digital Single Market.

All of these can cause:
- Additional costs and burdens.
- Unpredictability for producers and consumers.
- Non-food waste due to remanufacture products which once complete in one country but not in another.

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Let’s Innovate! A suggestion:

There exists no efficient complaint system for companies to turn to when the Single Market is not functioning, not implemented or not recognised. Where existing structures and ideas are proving insufficient or inadequate to allow for a truly effective Single Market, FoodDrinkEurope would also like to suggest a possible new initiative:

To create an independent enforcement body – Ombudsman? Agency? Independent Authority? – which, free from political pressure, would devise tools to ensure the proper implementation of regulation in all Member States; and where companies and consumers would be able to report complaints and discuss Single Market breaches, whether in terms of free circulation of people, services, capitals or goods.

Six policy recommendations

As Europe’s largest manufacturing sector, the food and drink industry represents different profiles, stories, approaches, sizes, products, etc.; but together it is advocating for a real Single Market.

To that end, FoodDrinkEurope calls for:

I. High-level political commitment towards the Single Market, leading to a long-term vision with regular action plans for the years to come

II. Prioritisation of Single Market issues in an EU level platform focusing on a strong, competitive and sustainable supply chain

III. High-level coordination to ensure a relevant regulatory framework to support European industry in general

IV. Improved functioning of mutual recognition in the non-harmonised areas

V. A more effective functioning of TRIS¹, SOLVIT², EU Pilot³ and REFIT⁴

VI. Rapid implementation of Single Market initiatives currently underway (Digital Single Market, etc.)

How to ensure an effective Single Market for Food and Drink?

Celebrating 25 years of food & drink diversity thanks to the Single Market

1. TRIS is a notification procedure established by Directive (EU) 2015/1535 as a tool for information, prevention and dialogue in the field of technical regulations on products and Information Society services. It helps anticipate and prevent the creation of barriers to trade likely to affect activities.

2. SOLVIT is a mediation network which can help with family benefits, pension rights, residence, entry visas for non-EU relatives of EU nationals, car registration, driving licences, professional qualification, VAT reimbursement, market access for products and services, discrimination.

3. EU Pilot is an informal dialogue between the Commission and the Member State concerned on issues related to potential non-compliance with EU law, prior to launching a formal infringement procedure.

4. The Commission’s Regulatory Fitness and Performance (REFIT) programme ensures that EU legislation delivers results for citizens and businesses effectively, efficiently and at minimum cost. REFIT aims to keep EU law simple, remove unnecessary burdens and adapt existing legislation without compromising on policy objectives.