

Mr Jean-Claude JUNCKER
President

Mr Frans TIMMERMANS
First Vice-President

EUROPEAN COMMISSION
Rue de la Loi 122
1040 BRUSSELS

Brussels, 11th September 2017

Subject: EU food and drink manufacturing sector’s preliminary input to “Future of Europe” debate

Dear Mr Juncker, dear Mr Timmermans,

In the context of the “*Future of Europe*” debate triggered by the European Commission’s White Paper presented on the 1st of March 2017, I would like to share with you the views and experiences of Europe’s food and drink sector – the largest European manufacturing sector in terms of turnover, employment and value added – as represented by FoodDrinkEurope.

The European food and drink manufacturing sector stands firmly behind the European project. Our industry is inextricably intertwined in Europe’s social, cultural and economic fabric, with over 289,000 companies present throughout the region, 4.2 million employees, and with strong ties to local communities. Food supply chains are sophisticated and operate transnationally within the EU Single Market and beyond, in order to ensure the availability of safe, high-quality and diversified products for consumers, at affordable prices. The European Union is the largest player in the world in terms of food and drink trade, making agri-food an indispensable part of the European economy in a global context.

Whereas the European food and drink industry is a key pillar of the EU economy and has remained resilient during times of economic crisis, it is currently facing important economic, social and environmental challenges and risks losing its competitive edge. In 2016, we set a key [ambition](#) for our sector to increase value added to 2.5-3.5% per year by 2025. This assumes additional investments by and a strong commitment from the industry, but it also requires that policy-makers establish an enabling policy framework for our sector, including a [strong and ambitious European industrial strategy](#) as we have asked for.

We are fully supportive and committed to deliver on the Commission’s strategy for jobs and growth, but encounter several key challenges with the current *modus operandi* of the Union which impact the competitiveness of our sector:

1. Completing the EU Single Market for food and drinks

Given the deeply integrated European and global food supply chains, a well-functioning Single Market is of vital importance for food and drink companies and for consumers alike. The EU is our industry's main market with around 90% of industry's turnover generated within the Single Market, amounting to domestic sales of about € 1 trillion in 2016. This year, in the context of the 25th anniversary of the Single Market and the 15 year anniversary of the EU General Food Law, we will celebrate the benefits and successes that these policies have brought to the society.

Then again, still today, companies face a number of barriers within the Single Market that have remained unsolved for various reasons. In the current political climate, we are seeing a dangerous negative trend of increased re-nationalisation and fragmentation of (EU) policies by individual Member States, sometimes allowed by the European Commission itself (e.g. national rules on mandatory country of origin labelling of foods). Standing firmly and consistently behind the Single Market and further completing it (not solely in the context of digitalisation) are pre-requisites for the sustainability of the Union.

2. Addressing outstanding regulatory challenges

Food and drink companies today also face a range of challenges that are often more of 'technical' nature, yet which have a large impact on their day-to-day business or on the sector as a whole. The credo "*Big on the big, small on the small things*" has regrettably contributed to a growing list of outstanding/unaddressed issues, which are stifling the competitiveness of our sector. In the absence of action at EU level, individual Member States have in several instances decided to go ahead on their own, creating fragmentation and problems for trade and business. Elsewhere, we have witnessed that the European Commission's services found harmonised, pragmatic solutions together with the EU Member States, e.g. as to the common interpretation of EU food law, only to be subsequently blocked by the Commission's own legal services.

3. Making Better Regulation workable

Reducing regulatory and administrative burdens for companies, particularly for SMEs (99% of our sector), is key to reduce costs and unlock competitive advantage for businesses at home and abroad. We welcome the concept of Better Regulation, including processes such as REFIT and Impact Assessments, and the involvement of stakeholders to inform the decision-making process. At the same time, the Better Regulation process should not obstruct the timely adoption of EU legislation by becoming too cumbersome and administrative. An important aspect of Better Regulation in food and drinks is an improved functioning of Mutual Recognition in non-harmonised areas.

Mr President, Mr First Vice President, I inform you of these experiences and challenges as we believe they are important for your upcoming debates on the future of the EU and in view of the various scenarios you have put forward. They are also of immense importance for the contribution our sector can bring to the success of the EU's overall competitiveness, growth and jobs.

The European food and drink industry relies on an efficient, well-functioning and trustful collaboration between the EU Institutions and stakeholders if we want to succeed on our growth ambition. I am convinced of the need for a strong and forward-looking Union, which puts its people and societies first and creates wealth and prosperity for all.

Thank you for your continued efforts, in close collaboration with the other Institutions, to improve the functioning of the EU; I, and my colleagues in the FoodDrinkEurope secretariat, am at your disposal should you or any of your colleagues wish to exchange further thoughts on how we can add further value to this process.

Sincerely yours,



Hubert WEBER