



The Brewers of Europe

President

Mr Thierry Breton
Member of the European Commission
Commissioner for Internal Market
Rue de la Loi 200
B-1049 Brussels
Belgium

8 May 2020

Dear Commissioner,

The Brewers of Europe is the trade confederation representing the interests of Europe's ten thousand breweries. We wish to express our sympathies with the millions of Europeans impacted personally and professionally by the ongoing COVID-19 crisis. Brewers across Europe have been showing immense solidarity with their consumers and the communities in which they operate, including sponsoring research, donating resources, manufacturing hand sanitisers, carrying out deliveries to key workers and supporting hospitality establishments.

Brewers have also seen their businesses impacted hard by the necessary measures taken to shut down the further spread of the virus. With brewing uniquely linked to hospitality, a third of the beer market has been literally closed down as cafés, pubs, bars and restaurants have had to shut their doors, whilst other social gatherings where beer would often feature have also been restricted. Despite the unprecedented support measures put in place across Europe, many bars and cafés may never re-open, whilst a number of breweries will regrettably have brewed their last beer. This is why I took the step of writing to President von der Leyen on 23 March to stress the key importance of supporting the hospitality sector through this crisis, so that there are once again channels through which communities can come together and brewers can provide their products.

I was therefore delighted that our Board member, Christian Weber of the Carlsberg Brauerei, was able to accept your invitation to a small meeting of CEOs on 16 April looking at the impact of COVID-19 on industrial ecosystems in the food sector and retail. As stressed by Mr Weber and discussed during the video-call, the impact of the crisis on the hospitality sector is so grave that the whole ecosystem, including brewing, is severely at risk. The survival of individual entrepreneurs is imperative, and a clear and bold rescue strategy is an absolute must if this part of the economy is to rise again.

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As we enter a new phase of the crisis, bars, pubs and cafés, as socialising venues, often find themselves at the bottom of the timetable for reopening, making it even more important to support them through exit strategies as increasingly they face up to, at best, a partial reopening under ongoing social distancing measures. Establishments need to reopen as soon as possible, but only whilst still maintaining necessary social distancing, and respecting the necessary hygiene and safety measures. This cannot be done without government support to make reopening economically viable. This support can come in the form of grants and loans but should also consider the opportunity for reduced VAT on the service of beers in bars, or specifically on tap, plus extensions and greater flexibility on the opportunity to offer reduced excise duty to smaller breweries.

Bars, pubs and cafés, but also breweries themselves, many of which are visitor destinations in their own right, are an integral part of the heritage and culture of many European countries and must be covered by the EU's COVID-19 Tourism strategy. These establishments are not just key parts of the holiday and cultural experience for many holidaymakers but are a key part of the local economy for many tourist destinations. Whilst they may pose a unique challenge with regard to exit strategies within social distancing, these establishments must not be forgotten or else not only they but all the other businesses within that hospitality ecosystem, such as breweries, will be severely compromised. This may require creative thinking that ensures the ability of the outlet to adhere to health and safety rules be the determining factor in deciding whether a place can reopen, rather than a process that simply permits some types of businesses to open, whilst others cannot.

Rebuilding consumer confidence in the “going out” and socialising experience will also be key and The Brewers of Europe stands ready to support the European Commission, other policymakers and all concerned stakeholders in meeting that challenge head on. A possible option may be the setting up of a special taskforce on hospitality and tourism that looks at the unique challenge for the different establishments, including bars, restaurant, pubs and cafés.

Due to the strategic importance of the hospitality sector for the future of the European brewing sector, I am keen to see all possible solutions considered to avoid a lost season for bars, pubs, cafés and restaurants, but also brewers, all without compromising on health and safety, core principles within any modern-day sustainable brewery. We are ready and keen to support the Commission. A lost season will not just mean a short-term loss for many businesses but could spell the end for many, notably smaller, establishments and breweries if a shutdown, particularly unsupported, is pursued for any longer than necessary.

I and the Brussels team stand at your disposal for next steps.

Yours sincerely,



Pavlos Photiades

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