

HEINEKEN Submission to the European Commission
Desperados and Tequila: Our product and the potential impact of the EU- Mexico FTA

Protection of Tequila

- HEINEKEN fully supports the recognition of Tequila as an authentically Mexican product and a product of geographic indication (GI).
- We believe that Tequila should enjoy all the protections enjoyed by other GIs under EU law, in particular the protections offered by the EU Spirits Regulation by which other spirit GIs, both EU and non-EU are governed.

Background on Desperados

- Desperados was created in France in 1995 and named after a popular movie of the time.
- Today it is sold throughout Europe and around the world and has grown to be one of our top international brands and a significant revenue driver for our business
- It is a distinctly European product, indeed its place of origin is indicated on the front of the bottle. It is not sold in Mexico
- Since its inception Desperados has been produced using an aroma with genuine Tequila, imported from Mexico and sourced from a CRT certified supplier
- The product is clearly labelled as a beer which is flavoured with Tequila. In the ingredients list it makes it clear that this flavour comes from an aroma which is 75% Tequila
- Consumer research show a high level of recognition of Tequila taste within Desperados with over 70% of consumers aware of the Tequila flavour

The Regulatory Framework

- Mexican norms, designed to fight against counterfeit Tequila, state that 25%-50% of the alcohol content must come from Tequila to claim that a product is made with Tequila.
- Meanwhile, many EU Member States have regulations designed to protect the integrity of beer which only allow alcohol from the fermentation process to be present in the final product. Only in France is there legislation which permits the addition of alcohol from other sources and only at very low levels.
- The laws and regulations of Mexico for Tequila and the EU laws for beer are therefore mutually exclusive where they concern the further use, marketing and sales of the product.
- In addition to these legal restrictions, if we were to add additional alcohol this would change our excise tax classification and make the product unviable. Such an addition would also change the taste of Desperados dramatically.
- For these reasons it is not possible to increase the Tequila content in a beer. Therefore the use of an aroma is the most appropriate solution

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