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European Commission Report on Labeling of Alcoholic Beverages

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FAIRS Subject Report

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Report Highlights:

On March 13, 2017, the European Commission presented its long awaited report examining whether mandatory nutrition labeling requirements should be extended to alcoholic beverages with an alcohol content of more than 1.2 percent by volume. Following the conclusions of the report, the Commission has invited the alcoholic beverages industry to present a self-regulatory proposal covering all sectors (wine, beer, spirits).

EUROPEAN COMMISSION REPORT ON LABELING OF ALCOHOLIC BEVERAGES INTRODUCTION

On March 13, 2017, the European Commission presented its long awaited <u>report</u> on the mandatory labeling of the list of ingredients and the nutrition declaration on alcoholic beverages with an alcohol content of more than 1.2 percent by volume. Article 16 of the EU's Food Information to Consumers (FIC) <u>regulation 1169/2011</u> exempted alcoholic beverages from this mandatory labeling requirement but obliged the European Commission to produce a report by December 13, 2014, assessing whether or not this waiver should be maintained. More than two years late, the 13-page report examines consumer information rather than health-related aspects of alcohol labeling. Following the conclusions of the report, the European Commission invites industry to develop a self-regulatory proposal covering all alcoholic beverages.

PROPOSAL FOR HARMONIZATION

Health and Food Safety Commissioner Vytenis Andriukaitis states that the Commission report "supports the right of people in the EU to be fully informed about what they drink" but puts the ball in the court of the EU alcoholic beverages industry. The report concludes that the expansion of concerted or independent voluntary initiatives demonstrates the alcoholic beverages sector's willingness to improve consumer information. The Commission considers that the current industry initiatives could be further developed so as to provide the ingredients list and nutrition declaration. The Commission gives the sector one year to present a self-regulatory proposal covering all alcoholic beverages. If the Commission considers the proposed self-regulatory labeling scheme unsatisfactory, it will launch an impact assessment to review further available options.

CURRENT SITUATION

Member State Rules

Article 16 of the FIC regulation exempts alcoholic beverages from mandatory ingredient listing and nutrition labeling. Before the adoption of the FIC regulation, a number of Member States already had national measures regarding ingredients listing in place. Article 41 of the FIC regulation allows these Member States to maintain national measures until EU-harmonized rules are adopted. Due to the lack of legal action for harmonization in this area, other Member States also adopted national rules on ingredients listing. Currently, Austria, Croatia, Czech Republic, Finland, Germany, Greece, Hungary, Ireland, Luxembourg, Portugal, Lithuania and Romania require the labeling of ingredients or certain ingredients of all or certain alcoholic beverages. Austria requires the indication of the amount of sugar for certain wines while Ireland and Romania have notified draft legislation to the Commission requiring nutrition labeling for alcoholic beverages. According to the Commission report, such national initiatives contribute to an increased risk of market fragmentation.

Voluntary Initiatives

The Commission report notes that the alcohol industry is recognizing consumer demand for additional labeling. For example, in 2015, the Brewers of Europe decided to start providing nutrition information on beers. They consider that he choice to provide this information either on the label or via other platforms such as websites or QR-codes should be left to the operators. The spirits sector supports the provision of the calorie-content either on the label or on websites and social media. The wine sector prefers off-label information and already provides information on calorie-content on a dedicated website.

INDUSTRY POSITIONS

Considering the positions of the different sectors on the way to provide nutrition information, agreeing on a voluntary harmonized approach for all the sectors may not be that simple. The <u>beer sector</u> already stated that nutrition information should be provided per 100 ml. The 100 ml reference is currently required under the FIC regulation for other alcoholic and non-alcoholic beverages. The <u>spirits sector</u> however suggests providing the nutrition information per serving and not per 100 ml. According to the spirits sector, providing the energy value per 100 ml would misrepresent the calorie content in an average glass. The <u>wine sector</u> is seeking special treatment adapted to the sector's characteristics (no pre-established recipe for wine) and structure (sector is mainly composed of SME's).

NEXT STEPS

The EU alcoholic drinks industry has until March 12, 2018, to present a harmonized self-regulatory approach. If the Commission considers the proposal unsatisfactory, it will launch an impact assessment examining further policy options. Changes in mandatory EU labeling requirements will need to be notified to the WTO under the "Technical Barriers to Trade" (TBT) Agreement.

RELATED REPORTS

- EU-28 Food and Agricultural Import Regulations and Standards (FAIRS) Report
- EU Wine Policy Report
- Irish Alcohol Bill Could Impact U.S. Exports to the EU