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Irish Alcohol Bill Could Impact U.S. Exports to the EU

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Report Highlights:

The restrictive marketing measures that Ireland wants to introduce for all alcohol products could impact U.S. exports to the EU. If the Irish Public Health (Alcohol) Bill is passed as written, it could set an unwanted precedent and trigger other Member States to follow the Irish example potentially disrupting not only the EU's single market but also U.S. exports of alcoholic beverages to the EU. U.S. exports to the EU were valued at \$1.5 billion in 2015.

Irish Alcohol Bill Could Impact U.S. Exports to the EU

The Public Health (Alcohol) Bill aims to reduce alcohol consumption and the health issues associated with it by introducing a minimum unit pricing, labeling, and advertising requirements for all alcohol products that would apply only in Ireland. However, if the bill is passed, it could set an unwanted precedent and trigger other EU Member States (MS) to follow suit potentially disrupting not only the EU's single market, but also exports of U.S. wine, beer, and distilled spirits to the EU. In 2015, U.S. exports of alcoholic beverages (wine, distilled spirits, and beer) to the EU were valued at \$1.5 billion.

Background

The [Public Health \(Alcohol\) Bill](#), initiated in December 2015, is a priority for the Irish government. With this Bill, the government aims to reduce alcohol consumption in Ireland to 9.1 liters per person per year by 2020, and to reduce the health issues associated with alcohol consumption, by introducing a minimum unit pricing, labeling and advertising rules including health warnings, mandatory indication of the energy value and the quantity in grams of alcohol, and the physical separation of alcoholic products from non-alcoholic products in supermarkets and other "mixed trading outlets."

The EU's Food Information to Consumers (FIC) regulation 1169/2011 exempts wine from the mandatory ingredient listing and nutrition labeling requirements. However, the FIC regulation required that by the end of 2014, the European Commission (EC) assessed the need (or not) to introduce mandatory nutrition labeling and ingredients listing for alcoholic beverages. To date, the EC has not published its assessment report, but it is expected to do so in early 2017.

Public Health Policy and Alcohol-Related Health Issues Seminar in Brussels: DG SANTE Supports Irish Alcohol Bill

On September 27, 2016, speaking at a seminar hosted by the Irish Permanent Representation in Brussels, Irish Minister for Health Promotion, Marcella Corcoran Kennedy, advocated for new legislation stating that Ireland is in the top-5 of alcohol-consuming MS and has the second-highest rate of binge drinking in the world. At the seminar, Health and Food Safety (DG SANTE) Commissioner Vytenis Andriukaitis noted that he fully supports the Irish measures and encouraged other MS to follow the Irish example and use all tools available to them to tackle alcohol-related health issues. He added that MS, supported by the Commission, should push forward "real reforms" including taxation, pricing, and restrictions on advertising and marketing on-line sales. He praised "The Irish Public Health Alcohol Bill as a good example of this approach with measures on advertising, labeling, and minimum unit pricing." Reacting to comments from the EU alcohol industry that the Irish Alcohol Bill is disproportionate and undermines the EU's single market principle as it would require labels specifically for the Irish market, Commissioner Andriukaitis said that "it is not about profits, but about people's health." He added that the alcohol industry is losing customers every day due to alcohol-related health issues. Encouraged by the strong support from the Commission, Minister Corcoran Kennedy seemed confident that the Irish Parliament will pass the Irish Alcohol Bill at the end of October 2016. [The transcript of Commissioner Andriukaitis' speech](#) is published on DG SANTE's website.

EU's Alcohol Industry Worried about the Bill

According to the EU's alcohol industry, represented by Spirits Europe, the EU's wine industry federation (CEEV), and the Brewers of Europe, the Irish proposal which would potentially keep products from shelves or perhaps prevent easy access to products in retail outlets and away from public's sight, impose a minimum unit-price which will be decided by the Irish Health Minister, impose health warnings on bottles, and ban advertising, is contradictory to EU Law and disproportionate as the Bill considers that all alcohol consumption, even moderate consumption, represents a risk for health. The EU's alcohol industry is concerned that the proposed measures will potentially hinder producers of alcoholic beverages entering and marketing their products on the Irish market. Industry representatives also question whether Commissioner Andriukaitis' support reflects the opinion of other EU Commissioners.

Next Steps

The Irish Alcohol Bill was notified under the [EU's Technical Regulation Information System \(TRIS\) procedure](#) in January 2016. Under the TRIS procedure, a MS notifies the European Commission (EC) and other MS of its intention to introduce national measures. The EC and the other MS can either submit comments or detailed opinions. The notifying MS is obliged to respond to detailed opinions, but not to comments. Ten MS (Austria, Bulgaria, Czech Republic, France, Germany, Italy, Poland, Portugal, Romania and Spain), all large exporters of beer or wine, issued a detailed opinion on the Irish Alcohol Bill while the EC and four MS (Denmark, Netherlands, Slovakia and United Kingdom) only submitted comments. Comments and detailed opinions are not released to the public. Calls to several Member State Permanent Representations in Brussels did not yield any detailed information. Commissioner Andriukaitis' strong support for the proposed Irish legislation at the seminar may explain why the Commission only submitted comments and not a detailed opinion. Ireland also notified the Alcohol Bill to the World Trade Organization (WTO) ([G/TBT/N/IRL/2](#)) before closure of the TRIS procedure which is rather unusual. As a general rule, MS notify the proposed measure to the WTO only after the EC clears it. The U.S. Wine Institute and U.S. Government submitted comments to the WTO Technical Barriers to Trade (TBT) Committee, highlighting the potential trade barriers with the Irish Alcohol Bill. During the seminar, Irish Minister Corcoran Kennedy confirmed that that Ireland is preparing a response to the comments and opinions received under both the TRIS and WTO/TBT procedures and that she hoped the Irish Alcohol Bill would clear the Irish Parliament by the end of October. Should this happen, it could open the door for other MS to follow suit and require unique labels, thus increasing costs and creating unnecessary barriers to trade, and ultimately disrupting the EU's single market.