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Alcohol Labelling in the EU

How to address the impact of Irish alcohol labelling rules in the EU in a way that benefits both public health and the European internal market

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Health information on alcohol products allows consumers to make informed choices about the risks of consuming alcohol. Ireland will be the first country in the EU to ensure that, from 2026, all alcohol products will have comprehensive labelling about the health risks associated with alcohol consumption including the dangers of liver disease and cancers caused by alcohol. Alcohol lobbies, MPs and some national governments have reacted critically to the new Irish labelling rules. Concerns have been raised about the risk of fragmentation of the internal market. We are therefore making the following recommendations:

- ▶ EU alcohol producers will face two choices (1) comply or (2) stop exporting to Ireland. Complying means they will either (a) lose revenues or (b) increase prices to compensate for sale and compliance losses. Stopping exports means they will have to find alternative markets in a very competitive and in some segments brand-driven sector.
- Preventing Ireland from implementing its Regulations by 2026 is illusory, especially after the backing of the EU Commission. It is very unlikely that any judge, either from the World Trade Organisation or the European Court of Justice, will rule against it.
- In order to prevent fragmentation, the EU must now introduce a legislative proposal extending the Irish regulations to the entire internal market. This is the most reasonable course of action.
- Regulation could also promote free and informed consumer choice. Here harmonised regulation at EU level should be aimed for in order to restore the balance between public health and the objectives of the internal market.

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1 Introduction

Health information on alcohol products allows consumers to make informed choices about the risks of consuming alcohol. Ireland will be the first country in the European Union (EU) to ensure that, from 2026, all alcohol products will have comprehensive labelling about the health risks of alcohol consumption, including warnings about the risk of developing cancers.

The <u>Public Health (Alcohol) (Labelling) Regulations 2023¹</u> and remaining provisions of <u>Section 12 of</u> <u>Ireland's Public Health (Alcohol) Act²</u> were officially signed by Minister of Health Stephen Donnelly on 22 May 2023. Under the legislation, alcohol product labels in Ireland will include important information, such as calorie content and grams of alcohol. These labels will also display prominent warnings about the risks associated with alcohol consumption during pregnancy, as well as the dangers of liver disease and cancers caused by alcohol.

2 Public Health (Alcohol) (Labelling) Regulations contents description

In an initiative similar to the measures used to curb cigarette and tobacco consumption, Ireland has passed a measure requiring explicitly preventive labels on products containing alcohol. Section 12 of Ireland's Public Health (Alcohol) Act 2018 already called for health warnings on alcohol products. In June 2022, Ireland then proceeded to implement this provision by notifying the European Commission of the draft Public Health (Alcohol) (Labelling) Regulations 2022.

The notification complies with the so-called <u>Technical Regulation Information System (TRIS)</u>, provided for in the Single Market Transparency Directive (SMTD) 2015/1535³, which aims to ensure the transparency of technical rules adopted at national level. Its purpose is to reduce as far as possible the risk of fragmentation of the single market caused by the issuance of different standards and marketing requirements at the level of individual Member States.⁴ Uniform regulation is considered particularly important with regard to food labelling as it provides for general harmonisation at European level by way of rules such as Regulation (EU) 1169/2011⁵ on food information to consumers. This Regulation requires certain national proposals for technical regulations, like the Irish alcohol labelling proposal, to be notified under the TRIS procedure so that Member States can comment on them and possibly submit objections. After notification, there is a three-month standstill period, during which the notifying country cannot yet adopt the notified measure: the standstill period may be extended by a further three months if the Commission or a Member State submits a detailed opinion on the measure.

¹ S.I. No. 249/2023 – Public Health (Alcohol) (Labelling) Regulations 2023.

² Public Health (Alcohol) Act 2018.

³ <u>Directive (EU) 2015/1535</u> of the European Parliament and of the Council of 9 September 2015 laying down a procedure for the provision of information in the field of technical regulations and of rules on Information Society services (codification).

⁴ The (EU) 2015/1535 procedure aims to prevent barriers in the internal market before they materialize. Member States notify their legislative projects regarding products and Information Society services to the Commission which analyses these projects in the light of EU legislation. Member States participate on an equal footing with the Commission in this procedure and can also issue their opinions on the notified drafts. TRIS allows Member States, public and private stakeholders as well as European citizens to stay informed about new proposals for technical regulations and to participate in the 2015/1535 procedure, while also creating a space for dialogue between the Commission and Member States.

⁵ <u>Regulation (EU) No 1169/2011</u> of the European Parliament and of the Council of 25 October 2011 on the provision of food information to consumers, amending Regulations (EC) No 1924/2006 and (EC) No 1925/2006 of the European Parliament and of the Council, and repealing Commission Directive 87/250/EEC, Council Directive 90/496/EEC, Commission Directive 1999/10/EC, Directive 2000/13/EC of the European Parliament and of the Council, Commission Directives 2002/67/EC and 2008/5/EC and Commission Regulation (EC) No 608/2004.

If a detailed opinion is submitted, the notifying country must inform the Commission of the measures it intends to take to resolve the issues raised in the opinion. After Ireland notified the draft measure as required by the TRIS procedure on 21 June 2022, nine Member States submitted detailed opinions, which meant that the procedure's completion was postponed by six months, until 22 December 2022.

Despite these objections, the European Commission did not consider it necessary to block the draft Irish Regulations. The current position is therefore that once the measure comes into force, the alcohol industry will have a period of three years to introduce the new labelling on the packaging of products sold on the Irish market. Specifically, all alcohol products in Ireland will have to carry three warnings on the label: 1) that alcohol causes liver disease; 2) that alcohol poses a risk to the foetus during pregnancy; and 3) that there is a link between alcohol and fatal cancers.

In addition, all licensed alcohol outlets will have to display similar prominent warnings on the premises, informing customers that information on the calorific value of alcohol products is available on request. The draft Regulations set out in detail the size and clarity of the warnings that alcohol containers will have to display (including provisions on the shape, colour, type and size of the font), and the Annexes to the Regulations contain the following examples of the type of warnings that will have to be included on the labels:



Figure 1: Design of the health warnings in the Irish Regulations

Source: S.I. No. 249/2023 - Public Health (Alcohol) (Labelling) Regulations 2023, Section 5

The draft legislation also imposes restrictions on alcohol advertising, including a list of places and locations where such advertising will not be allowed (e.g. on public transport, within 200 metres of a school, or at sports facilities), and limitations on the times at which alcohol advertising may be broadcast on television and in cinemas.

The absence of a contrary opinion from the Commission within the timeframe foreseen by the procedure, despite criticism from many Member States, in fact authorises the Irish authorities to proceed with implementation of the measure.⁶ Therefore, if nothing else intervenes, alcohol producers wishing to market their products on the Irish market will have to comply with the new labelling requirements, within three years of the Commission's green light, once Ireland has officially implemented its Regulations, i.e. approximately by 2026.

⁶ Gerardo Fortuna, <u>Ireland 'surprised' to receive EU green light on alcohol health label</u>, Euractiv.com, 3.2.2023.

3 Alcohol Labelling in the EU

The most significant provision of EU food labelling legislation, Regulation (EU) no. 1169/2011⁷ on the provision of food information to consumers (known as the 'Food Information to Consumers Regulation' or 'FIC Regulation'), makes it mandatory to display certain information on the labels of pre-packaged food and beverages, such as the name of the food, the net quantity, the name and address of the food business operator marketing the food, but also a list of ingredients and a nutritional declaration (energy value and the amounts of fat, carbohydrates, sugars, protein and salt).

In 2010-11, during the negotiations between the European Parliament and the Council on the FIC Regulation, beverages with an alcohol content of more than 1.2 per cent by volume were exempted from the requirement to provide a nutritional declaration and list of ingredients, while non-alcoholic or low-alcoholic beverages must carry this information on the packaging. The FIC Regulation does, however, require the alcoholic strength by volume (% vol) to be indicated on the label (Art. 9). Mandatory labelling of the most common allergens also applies to alcoholic beverages, such as sulphites, eggs and milk products used in wine (Art. 21). However, this provision only covers the 14 most common allergens, while other less common allergens cannot be labelled due to the absence of a list of ingredients. The Regulation also states that it is not mandatory to indicate a minimum use-by date in the case of beverages containing more than 10% alcohol by volume.⁸

Art. 41 of the Regulation leaves room for optional action by Member States and food business operators: the former may retain national measures for listing the ingredients of alcoholic beverages pending the adoption of harmonised EU rules, while the latter may voluntarily provide information on ingredients, as well as limit the voluntary nutritional declaration for alcoholic beverages to the energy value only. Some Member States have adopted national measures imposing additional labelling requirements for some alcoholic beverages, such as indicating the amount of sugar for some wine products. In France and Lithuania, alcoholic beverage labels must warn consumers of the potential health consequences of alcohol during pregnancy, either with a pictogram or with text.⁹

According to the Commission's original proposal for the FIC Regulation, all alcoholic beverages, including 'alcopops' (mixed alcoholic beverages, such as the mixture of a soft drink with a spirit), were to be covered by a mandatory list of ingredients and a nutritional declaration, with the exception of beer, wine and spirits. In the negotiations, the exemption was extended to all alcoholic beverages with an alcohol content above 1.2 per cent by volume.

There are also other pieces of EU legislation that contain provisions on the labelling of alcoholic beverages. Regulation (EU) 251/2014¹⁰ addresses the definition, description, labelling and protection of geographical indications of aromatised wines, wine-based drinks and wine-product cocktails (e.g. sangria and Glühwein). Regulation (EU) 2019/787¹¹ defines the categories of spirit drinks (such as rum,

⁹ Id., 2.

⁷ <u>Regulation (EU) No 1169/2011</u> of the European Parliament and of the Council of 25 October 2011 on the provision of food information to consumers.

⁸ Tarja Laaninen, <u>Alcohol labelling</u>, European Parliament Briefing, September 2021, p. 2-3.

¹⁰ <u>Regulation (EU) No 251/2014</u> of the European Parliament and of the Council of 26 February 2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products and repealing Council Regulation (EEC) No 1601/91.

¹¹ <u>Regulation (EU) 2019/787</u> of the European Parliament and of the Council of 17 April 2019 on the definition, description, presentation and labelling of spirit drinks, the use of the names of spirit drinks in the presentation and labelling of other

gin and liqueurs) and requires that the raw material used to produce the ethyl alcohol be indicated on the label. The Regulation also lays down rules for labelling the maturation period and for the protection of geographical indications of spirit drinks. Regulation (EC) 1924/2006¹² on nutrition and health claims made on foods stipulates that alcoholic beverages containing more than 1.2 % alcohol by volume must not bear any type of claim as to the health consequences of their consumption, while only nutrition claims relating to a low alcohol level, reduced alcohol content or reduced energy content are permitted.

In February 2021, the European Commission published its Europe's Beating Cancer Plan, in which it proposed, among other measures, the introduction of a mandatory label indicating the ingredients and nutrients contained in alcoholic beverages by the end of 2022, while a warning about the health consequences of alcohol consumption was to be added to the label by 2023.¹³

By way of a decision of 18 June 2020¹⁴, the European Parliament had already set up a Special Committee on Beating Cancer (BECA), which helped produce a resolution issued on 16 February 2022, in which the European Parliament "encourages the Commission and the Member States to promote actions to reduce and prevent alcohol-related harm within the framework of a revised EU alcohol strategy. This includes a European zero alcohol consumption strategy for minors, accompanied, where appropriate, by legislative proposals, while respecting the principle of subsidiarity and current national legislation on age limits on alcohol consumption; supports the provision of better information to consumers by improving the labelling of alcoholic beverages to include moderate and responsible drinking information and introducing the mandatory indication of the list of ingredients and nutritional information, and in addition, by introducing digital labelling."¹⁵ On the other hand, the resolution of the European Parliament preferred to accept an amendment to the BECA report that makes a key distinction between "harmful" alcohol consumption and abuse, rejecting the theory that "there is no safe level" of alcohol consumption to prevent cancer, but also voting against the imposition of health warning labels similar to those currently found on cigarettes, in favour of messages encouraging moderate and responsible consumption.¹⁶

In December 2015, for its part, the Council issued conclusions on an EU strategy for reducing alcoholrelated harm, highlighting that an EU strategy can support and further integrate public health policies, and inviting the Commission to consider introducing mandatory labelling of ingredients and nutrition claims, in particular the energy value, of alcoholic beverages.¹⁷

foodstuffs, the protection of geographical indications for spirit drinks, the use of ethyl alcohol and distillates of agricultural origin in alcoholic beverages, and repealing Regulation (EC) No 110/2008.

¹² <u>Regulation (EC) No 1924/2006</u> of the European Parliament and of the Council of 20 December 2006 on nutrition and health claims made on foods.

¹³ Europe's Beating Cancer Plan. Communication from the commission to the European Parliament and the Council, p. 10.

¹⁴ <u>European Parliament decision of 18 June 2020</u> on setting up a special committee on beating cancer, and defining its responsibilities, numerical strength and term of office (2020/2682(RSO)).

¹⁵ <u>European Parliament resolution of 16 February 2022</u> on strengthening Europe in the fight against cancer – towards a comprehensive and coordinated strategy (2020/2267(INI)).

¹⁶ Jacopo Mazzeo, European Parliament rejects health warnings on wine labels, decanter.com, 18 February 2022.

¹⁷ Council of the European Union, <u>Council Conclusions on an EU strategy on the reduction of alcohol-related harm</u>, 7 December 2015 (15050/15).

4 Perceptions in Member States

4.1 France

France is a country known for its wines and spirits. Nonetheless, it has already adopted alcoholic beverage packaging regulations, though not as far-reaching as the ones introduced in Ireland (See below, first paragraph). Thus, French alcohol lobbies appear to be against the Regulations, while the government has not explicitly positioned itself in the same manner at this stage (See below, second paragraph). The French alcohol producers principally fear that these Regulations are only the beginning of EU-wide legislation, which is going to affect their sales downwards (See below, third paragraph).

Under the French regulations on alcoholic beverage packaging, the type of drink must appear on the packaging of alcoholic beverages, as well as the alcohol content, the list of allergenic substances, a pictogram stating "zero alcohol during pregnancy" and a traceability number.¹⁸ On beers, the sentence "the abuse of alcohol is dangerous for health" must also appear.¹⁹ Nevertheless, no warnings related to the effect of alcohol on the liver or cancers is required; this would be a major change to the current legislation.

French reactions to the Irish Regulations came both from the private and public sectors. Nicolas Ozanam, delegate general of the French Federation of wine and spirits exporters (FEVS) stated: "*This measure is a brutal break with the framework of the European single market*".²⁰ Irène Tolleret, a French MEP from Macron's Renew party and Co-Chair of the Intergroup on Wine, Spirits and Foodstuffs in the European Parliament, also deplored the decision "*which hinders the single market and most of all penalizes wine producers*".²¹ Beyond these reactions, the French government and other French agrifood lobbies have not so far reacted to the introduction of the Regulations. It is not certain that the French government will support the private sector's opposition in an intense fashion, especially because it seeks to reduce alcohol consumption in France and could see the Irish Regulations as an opportunity to reach its objectives in this area.²² However, Macron also happens to be known as the "wine president",²³ so the official French position remains to be seen.

Regarding the impact of the Regulations, French exporters do not fear a loss on the Irish market per se: in 2016, French wine and spirits exports to Ireland only reached € 33.5 m,²⁴ a tiny fraction of the total amount of French wine and spirits exports (less than 0.1%).²⁵ They actually fear a general adoption of the Regulations at EU level which would adversely affect their sales on an EU scale without any real alternatives. France, Italy and Spain produce 47% of wine bottles in the world.²⁶ A lot of sales are at stake if the Irish Regulations become European law. The Commission's authorisation of the Irish Regulations makes this a real possibility.

¹⁸ Imprimerie à réaction, <u>vins, bières, spiritueux : quelles mentions légales sur les étiquettes ?</u> 07.09.2020.

¹⁹ Ibid.

²⁰ Euractiv, <u>Les Médecins européens portent un toast à la loi irlandaise sur l'étiquetage de l'alcool</u>, 21.06.2023.

²¹ Euractiv, <u>Le lobby français du vin juge « périlleux » l'étiquetage des bouteilles en Irlande</u>, 06.06.2023.

²² "The objective of Santé publique France is to reduce morbi-mortality related to alcohol consumption in France". Santé Publique France, <u>Consommation d'alcool : où en êtes-vous ?</u>, 01.06.2022.

²³ France Info, <u>Macron « président du vin »</u>, 21.06.2023.

²⁴ Business France, <u>Irlande : les exportations françaises de vins et spiritueux vers l'Irlande gagnent en qualité !</u>, 03.10.2018.

²⁵ € 17.2 bn in 2022. Business France, <u>17,2 milliards d'euros d'exportation de vins et spiritueux français en 2022</u>, 16.02.2023.

²⁶ Euractiv, <u>L'Italie vent debout contre l'étiquetage sanitaire du vin en Irlande</u>, 23.05.2023.

4.2 Germany

Germany did object to the Irish alcohol labelling rules back in 2016.²⁷ However, despite Germany being the fourth largest wine producer in the EU after Italy, France and Spain²⁸, the German Government has not openly criticized the Irish labelling rules recently. This may be related to the fact that only a small proportion of its wine is exported to Ireland. In 2021, for example, Germany exported 1,953,012 litres of wine to Ireland which is 0.5% of its total global wine exports. This figure has fallen since 2020 when it was 4,240,501 litres, which is 1.16% of its total export volume.²⁹

Criticism came from the German wine industry in 2022. The Deutscher Weinbauverband, an organisation representing German wineries, criticized the Irish labelling law mainly for the fact that the Irish labelling requirements would lead to extra costs for the wine industry, particularly small and medium-size companies such as small family businesses. They requested the German Government to block the new Irish labelling rules.³⁰

Apart from through the European fora for public health organisations, such as the Standing Committee of European Doctors of which Germany is a member³¹, there has not been much involvement or reaction from Germany's national public health and consumer organisations. This contrasts with other countries and regions in the EU and worldwide such as the UK, Scotland, the US and Sweden, where public health organisations have reacted more strongly and been more involved, for example by informing the Commission's consultation process in 2018.³²

Although German consumers have not reacted specifically to the Irish alcohol labelling issue, recent research among 3,059 consumers in Germany has shown that consumers are in favour of health warnings on alcohol labels. More specifically, two thirds of respondents in this study were in favour of alcohol health warning labels. According to this study, 67% of the respondents supported being made aware of the risks of alcohol consumption by way of warning labels on alcohol products. Only 22% of all respondents objected to warning labels and 11% were undecided.³³ In another survey of 1,400 people in Germany, 76% of the respondents were in favour of health hazard warnings on alcohol advertising.³⁴

²⁷ Irish Examiner (2016), <u>11 European countries object to Ireland's plan for health warnings on alcohol products</u>

²⁸ U.S. Department of Agriculture, Foreign Agricultural Service (2023), <u>Germany: Overview of the German Wine Sector 2022-</u> 2023

²⁹ United States Department of Agriculture, Foreign Agricultural Service (2023), <u>Overview of the German Wine Sector 2022-2023</u>, p.15. The numbers related to exports to Ireland are based on total litres of export from Germany to the world which was 366,470,126 Liters in 2020 and 368,897,814 Liters in 2021.

³⁰ Deutscher Weinbauverband e.V. (2022), <u>DWV-STELLUNGNAHME: TRIS-NOTIFICATION 2022/441/IRL (IRLAND) DES</u> <u>VERORDNUNGSENTWURFS ZU WARNHINWEISEN AUF ALKOHOLISCHEN GETRÄNKEN (PUBLIC HEALTH ACT 2018)</u>

³¹ See for example Euractiv (2023), <u>European doctors toast to Irish alcohol labelling law.</u>

³² Alcohol Action Ireland (2023) <u>Public Health Alcohol Act - EU notification process</u>. Examples of organisations from the UK, Scotland, US and Sweden are: Alcohol Policy U.S., Cancer Research UK, Alcohol Focus Scotland and IOGT-NTO (Sweden).

³³ Movendi International (2023) <u>Two Thirds of Germans in Favour of Alcohol Health Warning Labels</u> and Alkoholpolitik (2023), <u>Umfrage: Zwei Drittel befürworten Warnhinweise auf Alkoholflaschen</u>

³⁴ Movendi International (2023) <u>Two Thirds of Germans in Favour of Alcohol Health Warning Labels</u>

4.3 Italy

In Italy, wine production is of great importance for the agricultural sector: about 70% of the bottles made in Italy are for DOCG³⁵, DOC³⁶ and IGT³⁷ wines, with 332 DOC wines, 76 DOCG wines and 120 IGT wines recognised in Italy, and the remaining 30% are for table wines, with a per capita consumption in Italy of 33 litres per year. For this reason, reactions to the Irish initiative have been strongly critical.³⁸

According to Coldiretti (Confederazione Nazionale Coltivatori Diretti), the largest association representing and assisting Italian agriculture, the coming into force "of the law on alarmist wine labels in Ireland is a dangerous precedent that puts at risk the record for Made in Italy wine exports of 7.9 billion last year". The European Commission should therefore monitor the effects on the market to assess the possibility of opening an infringement procedure, which could result in a "trade-distorting regulation". Although Italian wine exports to Ireland amounted to \notin 45 million in 2022, the decision "risks opening the door in Europe and the world to a regulation that would hit a supply chain worth \notin 14 billion in Italy, which guarantees 1.3 million jobs from the field to the table and is the main export item in the sector". Coldiretti also criticized the failure to differentiate between excessive consumption of spirits typical of the Nordic countries and the moderate and conscious consumption of quality products with a lower alcohol content.³⁹

Paola Lanzavecchia, President of the Wines and Spirits Section of Confindustria⁴⁰ Cuneo, found "The Irish government's unilateral decision [...] a risky and disproportionate choice that does not take into account the specificity of the wine product compared to other beverages, with the risk of creating confusion for the consumer on the relationship between alcohol, wine and health." Friuli Venezia-Giulia, a region with a large slice of the wine market, has expressed its total opposition to this decision and believes that it could become a very dangerous precedent - "This will affect the entire production of Made in Italy."⁴¹

Antonio Capaldo, CEO of Feudi di San Gregorio, a very important winery located in the Campania region, shared Coldiretti's concerns. However, he does not believe it is a "direct attack" against Italy or any other wine producing country. He pointed out that "a difference between wine and other alcoholic beverages may be obvious in Italy, but we have to understand that this is not the same in countries with a different wine/beverages culture". He concluded that "Ireland's position is not a ban, it is a warning – a warning for consumers who may not fully understand the risks of alcohol", and

³⁵ DOCG – Denominazione di Origine Controllata e Garantita. DOCG is the highest classification Italian wines can be awarded so DOCG are the best of Italian wines.

³⁶ DOC - Denominazione di Origine Controllata. It is the second wine highest quality level, meaning "designation of controlled origin". In order to achieve this classification, there are very strict rules which need to be followed regarding quality and authenticity.

³⁷ IGT - Indicazione Geografica Tipica. This is the broadest category of Italian wines. All grapes within any IGT wine should come from the region stated on the label. There are no other requirements for this category in terms of style and it allows foreign grape varieties to be included. This does not mean that all IGT wines are lower quality. Some non-traditional wines, such as super Tuscans, are released under this classification as the producer does not wish to adhere to the stricter rules for more traditional DOC or DOCG classification.

³⁸ Etichetta sanitaria alcolici: la legge in Irlanda e reazioni, Diritto.it.

³⁹ Id.

⁴⁰ Confindustria, short for Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industry), is the main representative organisation of Italian manufacturing and service companies, grouping more than 150,000 companies on a voluntary basis.

⁴¹ Norma Judith Pagiotti, <u>Coldiretti e Confindustria: "Le etichette del vino approvate in Irlanda un danno per tutta Italia"</u>, rossorubino.tv, 15.1.2023.

emphasized the need to talk about wine, its origin and its culture, in order to underline its difference from other alcohol products.⁴²

Italian institutions also criticized the Regulations: Italy's foreign minister Antonio Tajani (Forza Italia/EPP) said the plans were "absurd" and echoed sentiments around the plans being an attack on the Mediterranean diet⁴³, while Forza Italia MEP and Secretary of the agriculture committee Raffaele Nevi denounced Ireland's initiative as "totally wrong and the cause of unfounded alarm among consumers. It is not wine as such that is bad, but rather alcohol abuse".⁴⁴

Italian Agriculture Minister Francesco Lollobrigida (Fratelli d'Italia/ECR) announced that he and Foreign Minister Tajani have been working in synergy with other European countries to oppose Ireland's choice and defend a market "that is respectful of products from every nation". Lollobrigida also considered "Ireland's action incorrect because it is one thing to inform and invite moderation, which we believe is right; it is another thing to say that a product is bad for you no matter how much you consume".⁴⁵ In addition, in January 2023, Lollobrigida announced that he would seek dialogue with Irish institutions to explain the reasons for Italian concerns regarding the new alcohol labelling desired by Dublin. For the time being, however, the attempt does not seem to have brought any changes to the content of the Regulations.⁴⁶

4.4 Others

Austria, as a wine producing country, reacted in a similar way to Germany regarding the new Irish labelling rules. The Austrian Government has not reacted to or actively opposed the new labelling rules. Unlike other EU Member States, such as Greece and Portugal, who asked the Irish Government to respond to comments or submitted a detailed opinion⁴⁷, Austria has remained quiet.

As in Germany, there has been a response from the Austrian wine industry but it is less concerned about the impact of the new alcohol labelling rules in Ireland because its wine exports to Ireland are not so significant.⁴⁸ In 2021 Austria exported 79,000 litres of wine to Ireland with a value of \notin 447,000⁴⁹ which is only a small proportion of their total exports⁵⁰ globally.⁵¹ On the other hand, there is concern that Ireland will act as a precedent for other EU countries that may put in place similar measures.⁵²

- ⁴⁴ Federica Pascale, Italy forms coalition against wine 'health labels' in Ireland, Euractiv.com, 23.3.2023.
- ⁴⁵ Id.

⁴² Dani Clarke, <u>Anger in Italy over Ireland's alcohol health warning plans</u>, thedrinkbusinness.com, 16.1.2023.

⁴³ Christian Smith, <u>'Absurd' health warning wine labels in Ireland angers Europe</u>, thedrinkbusiness.com, 28.2.2023.

⁴⁶ Gerardo Fortuna, <u>Italy seeks dialogue with Ireland in wine label row</u>, Euractiv.com, 27.1.2023.

⁴⁷ See for example E. Jané-Llopis, D. Kokole & M. Neufeld et al. (2020) <u>What is the current alcohol labelling practice in the WHO European Region and what are barriers and facilitators to development and implementation of alcohol labelling policy? p. 29.</u>

⁴⁸ Der Winzer (2023), <u>Irische Warnhinweise</u>

⁴⁹ The data on Irish exports also includes re-exports of non-Austrian wine.

⁵⁰ Exports to Ireland are about 0.2% of the total value of Austrian wine exports and 0.11% of total export volume. The total value of Austrian wine exports in 2021 was € 217,261,000 and 70,139,000 liters. See Austrian Wine, Report compiled by S. Heidinger (2022), <u>Austrian wine statistics report 2021</u>, p. 89.

⁵¹ Austrian Wine, Report compiled by S. Heidinger (2022), <u>Austrian wine statistics report 2021</u>, p. 97, Table 4.3. The total value of Austrian wine exports in 2021 was € 217,261,000 and 70,139,000 liters, see p. 89.

⁵² Der Winzer (2023), Irische Warnhinweise

The Netherlands also gave a similar reaction to the new alcohol labelling rules as Austria and Germany. In 2016, The Netherlands also objected to the alcohol labelling rules but there has been no more recent reaction from the Dutch Government.⁵³

5 Problems of the Provisions and Suggestions for Improvement

It now seems almost certain that the new labelling system for alcoholic products marketed in Ireland will be introduced by 2026, which means that, in the absence of any new developments, European companies exporting wine and alcoholic products to Ireland will have to choose between two options in the run-up to that deadline:

1) comply with the Irish Regulations and labelling provisions in order to sell their products on the Irish market, which will negatively affect their sales and increase costs;

2) stop exporting their products to Ireland and divert their exports to new markets. This solution is probably too extreme since the market for alcoholic beverages is very competitive and it will not be very easy for European producers to find satisfactory alternatives.

Producers that choose option 1 could decide to make the Irish consumer pay for lost sales and compliance costs by raising the prices of their products in Ireland. Since the remaining demand for alcoholic beverages is relatively inelastic, this could alleviate the effect of the Regulations. Producers that choose option 2 would lose their share of the Irish alcohol market, which totals \$6,364.18 million in 2023, and is estimated to increase to \$8,352.71 million in 2027 (+31%)⁵⁴.

However, it is a fact, supported by scientific research on the subject, that alcohol consumption leads to an increased risk of disease irrespective of the extent of consumption. The World Health Organization (WHO) published a statement in The Lancet Public Health claiming that "when it comes to alcohol consumption, there is no safe amount that does not affect health", ⁵⁵ while "no studies have shown that the potential existence of a protective effect for cardiovascular diseases or type 2 diabetes also reduces the risk of cancer for an individual consumer".⁵⁶ Member States should therefore use their influence to foster public and fact-based discussion on European policies in this area, seeking an appropriate balance between a fair functioning of the internal market and an adequate public health protection policy.

One possible solution, capable of bringing these two requirements together, would be the adoption of a single mandatory label for the entire EU, with the same, or similar - if amendments to the label are needed at EU level - requirements to the Irish one and an equivalent level of public health protection. This means that all EU countries would need to have the same label on alcohol products sold in the EU. The advantage of this would be to preserve the uniqueness of the internal market and avoid imposing differentiated obligations for access to a specific national market, thereby eliminating the

⁵³ Irish Examiner (2016), <u>11 European countries object to Ireland's plan for health warnings on alcohol products</u>

⁵⁴ In particular, for 2023, the Irish alcohol market is divided as follows, in m \$: Beer: 2,281.00; Cider, Perry and Rice Wine: 69.66; Hard Seltzer: 10.52; Spirits: 1,338.00; Wine: 2,665.00. S. <u>Alcoholic Drinks – Ireland</u>, Statista.com.

⁵⁵ WHO, <u>No level of alcohol consumption is safe for our health</u>, 3 January 2023. S. also WHO, <u>Alcohol and Cancer in the WHO</u> <u>European Region. An Appeal for a better Prevention</u>, 2020, p. 7.

⁵⁶ Benjamin O Anderson, Nino Berdzuli, Andre Ilbawi, Dévora Kestel, Hans P Kluge, Rüdiger Krech, Bente Mikkelsen, Maria Neufeld, Vladimir Poznyak, Dag Rekve, Slim Slama, Juan Tello, Carina Ferreira-Borges, <u>Health and cancer risks associated</u> with low levels of alcohol consumption, The Lancet Public Health, Vol. 8 January 2023, p. e6-e7.

danger of cutting out smaller producers, who do not have the financial and technical capacity to produce a separate label for a single member country.

The disadvantage of this solution is that it would probably be met with opposition from southern European countries, who are afraid that high-impact labelling such as that provided by the Irish framework would cause a general decline in alcohol consumption. On the other hand, since the protection of public health is involved, and since - as mentioned - the impact of alcoholic beverages on the risk of contracting dangerous diseases is a scientifically proven fact, the most rational choice for the EU and its Member States would be to push for a European regulation inspired by the Irish proposal, which would eliminate the risk of internal market restrictions and favour the protection of EU citizens' health.

Finally, cep has always promoted free and informed consumer choice on EU markets. A science-based health-warning on alcoholic beverage packaging is in line with these values. We therefore support the general application of the Irish Regulations on the EU market.

6 Conclusion

Irish alcohol labelling Regulations were tacitly authorized by the European Commission at the beginning of the year. This decision has given rise to a dispute with stakeholders from France, Italy and Spain and controversy over legislation alleged to be fragmenting the internal market and affecting alcohol sales downwards.

And yet, the Irish Regulations are in fact in line with the objectives of the EU: providing consumers with relevant knowledge, in order to allow them to make health-conscious choices. Thus, a reasonable resolution of this argument would be to harmonize alcohol labelling at EU level by endorsing science-based warnings, for the benefit of consumers.



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