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The European Commission's proposal for a revised GSP Regulation for the next ten years

On 22 September 2021, the European Commission (hereinafter, Commission) published its proposal for a *Regulation on applying a generalised scheme of tariff preferences and repealing Regulation (EU) No 978/2012 of the European Parliament and of the Council*. For the most part, the EU's current Regulation establishing a Generalised Scheme of Preferences (hereinafter, GSP) applies until 31 December 2023. While European Commission Executive Vice President and European Commissioner for Trade *Valdis Dombrovskis* stated that there was no need to change the main structure of the current GSP Regulation, the Commission's proposal does provide for important changes to the current rules, which will have an impact on beneficiary countries and, ultimately, traders around the world.

The status quo

The EU's GSP is a scheme of unilateral trade concessions that reduces or eliminates tariffs on a wide range of goods exported to the EU from developing countries and least-developed countries (LDCs). The GSP scheme is intended to increase export revenues in developing countries, so as to reduce poverty and promote sustainable development and good governance. The GSP preferential arrangements focus solely on granting tariff preferences for trade in goods and do not extend to services or other areas covered by modern comprehensive trade agreements. The GSP is consistent with the World Trade Organization's (hereinafter, WTO) 1979 'Enabling Clause', which operates as an exception to one of the pillars of the WTO system, the most-favoured nation (MFN) obligation, allowing WTO Members to grant differential and more favourable tariff treatment to imports from developing countries.

The EU's GSP scheme consists of three types of preferential trade arrangements: 1) A general arrangement for developing countries meeting certain eligibility criteria, known as the Standard GSP; 2) A special incentive arrangement for sustainable development and good governance or 'GSP+'; and 3) A special arrangement for least-developed countries (LDCs), known as the 'Everything But Arms' arrangement (hereinafter, EBA) that removes duties for all goods, except for arms and ammunition. The EU's current GSP Regulation came into force on 1 January 2014 and was already the result of an important reform vis-à-vis the previous system (see

Trade Perspectives, Issue No. 21 of 16 November 2012). The current GSP Regulation is set to expire, with the exception of the EBA arrangement, on 31 December 2023.

Main changes proposed by the European Commission

During the presentation of the Commission's proposal for the update of the EU's GSP Regulation, European Commissioner for Trade *Dombrovskis* stated that the main structure of the GSP Regulation had not been changed. The changes to the current GSP primarily aim at reinforcing "*the scheme's social, environmental and climate aspects, reduce poverty and increase export opportunities for developing countries*". The changes appear to reflect the Commission's commitments and increased focus on principles related to trade and sustainable development, as well as the importance of climate change mitigation and "*environmental protection standards*".

One of the more notable proposed amendments is the Commission's proposal related to the conditions for a country to become a GSP+ beneficiary. The Commission's proposal increases the number of conventions that must be ratified and implemented before a country can apply for GSP+ beneficiary status. Under the current GSP Regulation, there are 27 international conventions related to human and labour rights, as well as conventions related to the environment and to good governance principles. The Commission's proposal introduces six additional international conventions on the environment and good governance, namely the Convention on the Rights of People with Disabilities, the Optional Protocol to the Convention on the Rights of the Child on the Involvement of Children in Armed Conflict, the ILO Convention No. 81 on Labour Inspection, the ILO Convention No. 144 on Tripartite Consultation, the UN Convention against Transnational Organised Crime, and the Paris Agreement, which would replace the Kyoto Protocol. These additions would bring the total number of international conventions to 32.

The increased number of international conventions that must be ratified as a requirement to benefit from the EU's GSP+ scheme might have an impact on current GSP+ beneficiaries (*i.e.*, Armenia, Bolivia, Cape Verde, Kyrgyzstan, Mongolia, Pakistan, the Philippines, and Sri Lanka). All beneficiaries would be required to reapply for GSP+ status in order to continue benefitting from it. The Commission's proposal provides for a transition period of two years, which aims at allowing these countries to ratify and implement the additional conventions by 31 December 2025, unless they have already done so. Should these countries not be able to ratify the additional international conventions, they would lose their GSP+ status and, as a consequence, the preferential market access to the EU under the GSP+ scheme, while they would continue to benefit from the Standard GSP.

A key concept of the current GSP Regulation is the removal of a product sector from preferential access for a given beneficiary country, which is known as '*product sector graduation*'. More specifically, tariff preferences must be suspended when the average value of EU imports of a certain product exceeds a certain threshold (*i.e.*, exceeds the total value of EU imports of the same products from all GSP beneficiary countries). In this context, the Commission's proposal introduces updates to the GSP Regulation that would enable the Commission to more rapidly suspend tariff preferences. The Commission's proposal reduces the threshold from 57% to 47% of the total value of EU imports of the same products from all GSP beneficiary countries. In the case of textiles, the threshold would be reduced from 47.2% to 37%. The envisaged reduction of the threshold could have a direct impact on trade for certain products in certain countries. For instance, the reductions for textiles would particularly affect countries such as Pakistan and Bangladesh, as their apparel exports to the EU would likely exceed the proposed threshold. The *Leathergoods & Footwear Manufacturers and Exporters Association of Bangladesh* already noted its concerns with respect to the new rules and that the new scheme might negatively impact apparel exports to the EU.

In certain defined cases, beneficiary countries could lose the preferential market access either through so-called '*graduation*' from the scheme or following a (temporary) withdrawal procedure, which means the temporary suspension of tariff preferences following an evaluation

procedure in response to noncompliance of the beneficiary country with the commitments under the GSP Regulation. With respect to '*graduation*', a beneficiary country of the Standard GSP can graduate from the Standard GSP status when: 1) it has been classified by the World Bank as a '*high-income or an upper-middle income country*' for the past three years, based on its gross national income per capita; or 2) it benefits from another type of preferential market access to the EU, such as under a preferential trade agreement. An EBA beneficiary country graduates from the EBA scheme, when it is no longer considered to be a least developed country, but can still be eligible for the Standard GSP and the GSP+.

Another important proposed change to the EU's GSP Regulation concerns the increased scope for the withdrawal of tariff preferences. Currently, the withdrawal of tariff preferences under all schemes is possible, *inter alia*, in case of "*serious and systematic violation of principles laid down in*" the human and labour rights conventions listed in part A of Annex VIII to the current GSP Regulation. The Commission's proposal would amend this option to also include the conventions on the environment and good governance.

In addition to the already existing ways to withdraw preferences, the Commission also proposes to introduce a new provision that would allow the Commission to withdraw tariff preferences more rapidly when "*the exceptional gravity of the violations calls for a rapid response in view of the specific circumstances in the beneficiary country*". In such case, the Commission would initiate the procedure already established under the current GSP Regulation, which requires the adoption by the Commission of an Implementing Regulation to initiate the procedure for temporary withdrawal and that allows the beneficiary country to cooperate during a monitoring and evaluation period of six months. Under the Commission's proposal, this timeframe would be reduced to two months in those exceptional cases.

Still a long way to go

The Council of the EU and the European Parliament will discuss the Commission's proposal in the coming months and the plan is for them to adopt the new GSP Regulation by the end of 2022, so that the new GSP Regulation can be published in the EU's Official Journal in 2023 and enter into force on 1 January 2024. It would then apply for the period from 2024 to 2034.

Implications and opportunities for beneficiary countries

While the main structure of the EU's GSP Regulation will likely remain unchanged, the potential changes detailed above will likely have an impact on GSP beneficiary countries and, ultimately, on businesses around the world that rely on the preferential access to the EU market. Businesses with supply chains in GSP beneficiary countries could be impacted by the revised GSP Regulations. The proposal regarding the reduced thresholds might increase the uncertainty on whether a current GSP+ beneficiary would continue benefiting from the scheme.

The Commission has launched a [feedback opportunity](#) regarding its proposal with the objective to receive stakeholders' input. The feedback period is open until 19 November 2021 and interested stakeholders in the EU and around the world should make use of this important opportunity.

The Government of Indonesia considers additional measures to restrict the consumption of tobacco products through the revision of *GR No. 109 of 2012*

In recent years, the Government of Indonesia has shown interest in further regulating the tobacco sector, for a variety of reasons, including public health considerations. Currently, Indonesia's Ministry of Health is preparing the revision of *Government Regulation No. 109 Year 2012 concerning the Safety of Addictive Substances in Tobacco Products for Health Interests* (hereinafter, *GR No. 109/2012*). The revision of *GR No. 109/2012* has been planned since 2018 and a draft is now expected before the end of the year. While new and more

restrictive rules are supported by public health advocates to decrease the rate of smokers, particularly minors, Indonesia's domestic tobacco industry notes that the revision would negatively impact Indonesia's domestic tobacco industry that is still recovering from the impact of the *Covid-19* pandemic.

Regulating tobacco products under GR No.109/2012

Indonesia's *GR No. 109/2012* regulates various aspects concerning tobacco products. More specifically, it lays out the responsibilities of the Central and Regional Governments to educate consumers and supervise the consumption of tobacco for purposes of public health objectives, and contains provisions on the regulation and control of addictive substances used in tobacco products (e.g., their production, import, and distribution), on the protection of children and pregnant women, as well as on smoke-free zones. Tobacco regulation in Indonesia is not fully centralised, as Regional Governments have the responsibility to regulate certain matters. For instance, the regulation and implementation of smoke-free zones is regulated at the regional level.

In essence, *GR No.109/2012* aims at decreasing smoking rates by imposing obligations for producers and importers of tobacco products to comply with certain technical requirements, related, *inter alia*, to cigarette packaging and tobacco product content requirements. The requirements include: 1) The obligation to have pictorial health warnings that take up 40% of the product's outer layer packaging surface and the requirement to provide five different types of images and textual health warnings, both on the front and back; 2) The obligation that cigarette packaging provide information on the levels of nicotine and tar content; 3) The prohibition for sponsorship activities by tobacco companies to use trademarked names, logos, or images of a tobacco product; and 4) Rules on advertisement, such as the requirement to use the *18+ symbol* in the product's advertisement.

Increased regulatory activity

GR No. 109/2012 is considered to have not effectively decreased smoking rates in Indonesia, specifically in child smokers. In fact, data from Indonesia's Ministry of Health show that the amount of child smokers actually increased from 7.2% in 2013 to 9.1% in 2018.

Therefore, the Government of Indonesia has been taking measures to further decrease cigarette consumption and the distribution of tobacco products in Indonesia. On the one hand, Indonesia has repeatedly increased the tobacco excise tax through the *Ministry of Finance Regulation on Excise Tax of Tobacco Products* on the basis of the annual *State Budget Plan*. The tobacco excise tax is divided into three categories, namely machine-made white cigarettes, machine-made *kretek* cigarettes (i.e., unfiltered cigarettes of Indonesian origin), and machine-made cigarettes. In 2020, the Government of Indonesia had increased the tobacco excise tax to 23%, which is a significant increase compared to 10.4% in 2018 and 10.54% in 2017. After another increase in 2021, the Government of Indonesia is planning a further increase in 2022. The continuous increase in the excise tax has reportedly contributed to the decrease of cigarette sales from 356.5 billion in 2019 to 322 billion cigarette sticks sold in 2020. While excise duties are typical instruments used by Governments to tackle regulated sectors, as well as to levy important financial resources for their budgets, they also often result in discriminatory practices vis-à-vis imported tobacco products and so this is an area of domestic regulation that needs to be monitored, including in Indonesia.

The Government of Indonesia is also looking to further regulate electronic cigarettes. Currently, there are no dedicated rules for electronic cigarettes, which is a wide and expanding category of smoking appliances that often present health benefits vis-à-vis traditional cigarettes and conventional tobacco products. In 2020, on the basis of *Ministry of Finance Regulation No. 198/PMK.010/2020* and in order to decrease the import and distribution of electronic cigarettes, the Government of Indonesia imposed an excise tax of 57% on electronic cigarettes, which is the maximum excise rate that may be imposed in accordance with Article 5 of *Law No. 39 Year 2007 concerning Excise*. A more detailed regulation of electronic cigarettes is supposed to be

included in the revision of *GR No. 109/2012* and it will be important to evaluate whether it pursues only legitimate regulatory objectives or also a '*not-so-hidden*' agenda of protectionism to the benefit of domestic constituencies and conventional tobacco products.

Envisaged Revision of GR No. 109 of 2012

Since 2018, Indonesia's Ministry of Health has proclaimed its intention to revise *GR No. 109/2012*. The Government's intention to further regulate and control tobacco consumption in Indonesia is also referenced by *Presidential Regulation No. 18 of 2020 concerning the 2020-2024 National Medium-Term Development Plan 2020-2024 (RPJMN)*. The revision of *GR No. 109/2012* will reportedly cover, *inter alia*, the following aspects: 1) A plan to introduce a total ban and/or further restrictions on advertising and promotion of cigarettes, including advertisement using information technology media services and restrictions on sponsorship activities by tobacco companies; 2) The prohibition of selling individual cigarettes outside of unit packets; 3) The enlargement of the pictorial health warnings from 40% to 90% or at least to 75% of the product's outer layer packaging surface, both front and back; 4) Facilitating access to smoking cessation programmes and services and access to cessation clinics, along with additional regulations that would further regulate electronic cigarettes.

However, no official information on the specific changes to *GR. No. 109/2012* has so far been disclosed. Indonesia's Ministry of Health has stated that the amendments of *GR. No. 109/2012* aim at achieving Indonesia's objective of decreasing the number of smokers and, more specifically, reducing the number of child smokers, from 9.1% to 8.7% by 2024.

Mixed reactions from the public

Certain civil society organisations have noted that *GR No. 109/2012* must be revised given that it did not effectively decrease cigarette consumption. More specifically, *GR No. 109/2012* is considered by many NGOs not to have effectively regulated commercial cigarette advertisements on television, street banner advertisements, and internet advertisements. Currently, *Law No. 32 of 2002 concerning Broadcasting* only prohibits advertisements that explicitly show cigarettes.

At the same time, stakeholders in the tobacco industry argue that the revision of *GR No. 109/2012* would negatively affect the economy and Indonesia's domestic tobacco industry. Considering that Indonesia is an important market for tobacco consumption and production, the revision would significantly affect the tobacco industry as a whole, including tobacco farmers. Recent data shows that, with 33.8%, Indonesia ranks third, globally, in terms of the proportion of smokers in the population. Indonesia's domestic cigarette industry directly or indirectly employs around 6 million people, consisting of 2 million tobacco farmers, 1.5 million clove farmers, thousands of factory workers, and over 2 million distributors and retailers.

According to Indonesia's Ministry of Finance, the increase in cigarette prices through the tobacco excise tax had resulted in significant revenue growth for the State budget. Reportedly, for the first quarter of 2021, the tobacco industry contributed over 97% of the country's total excise tax revenue.

Implications for the tobacco industry

Due to the *Covid-19* pandemic and the increase of the tobacco excise tax between 2015 and 2020, cigarette production in Indonesia decreased from 348 million cigarettes to 322 million cigarettes. As the Government of Indonesia continues increasing the tobacco excise tax, a growing number of domestic tobacco farmers and tobacco companies now shifted their focus towards increasing exports. According to the Chairman of Indonesia's *Federation of Trade Unions of Tobacco, Food and Beverages Unions, Sudarto*, the Government's plan to again increase the tobacco excise tax in 2022 might lead to layoffs of up to 6,000 employees per year. From the perspective of Indonesia's domestic tobacco industry, the revision of *GR No. 109/2012* would further restrict the tobacco industry and negatively affect the industry.

Next steps

It remains to be seen whether the Government of Indonesia will indeed move forward with the revision of *GR No.109/2012* any time soon. However, in recent years, the Government of Indonesia has already been pursuing increased regulation of the tobacco sector through a number of measures, such as the increase of the tobacco excise tax and the import restrictions related to e-cigarettes. Any future changes are poised to affect not only Indonesia's domestic tobacco industry, but also tobacco companies exporting to Indonesia. As such, it is important that the measures eventually adopted be proportionate to the legitimate objectives being pursued, non-discriminatory both *de jure* and *de facto*, scientifically justified, mindful of the technological developments that are shaping the tobacco sector, and in line with Indonesia's WTO and ASEAN obligations.

Ahead of new mandatory food labelling and information rules, the EU wine and spirits sectors provide nutritional information and ingredients via a new e-label

On 30 September 2021, the EU's wine and spirits sectors launched a new e-label platform, which provides consumers with information on ingredients, nutrition information, responsible drinking guidelines and sustainability of wine and spirits on the Internet.

This article looks at the current rules for alcoholic beverages under *Regulation (EU) No 1169/2011 on the provision of food information to consumers* (hereinafter, FIR), the *2018 Joint self-regulatory proposal from the European alcoholic beverages sectors on the provision of nutrition and ingredients listing* (hereinafter, the Joint Proposal), the provision of nutrition and ingredients information for wine required under the EU's new Common Agricultural Policy (hereinafter, CAP) from 2023, *Europe's Beating Cancer Plan* with the proposal of a mandatory indication of the list of ingredients and the nutrition declaration on alcoholic beverage labels, and other initiatives like the review of the FIR initiated by the European Commission (hereinafter, Commission). With the new e-label online platform, the wine and spirits sectors are gearing up for the adoption of mandatory food labelling and information rules.

Food information for alcoholic beverages under general EU rules

Within the EU, the FIR was the result of intense debates over a number of contentious issues, including the labelling of alcoholic beverages. Article 16(4) of the FIR currently exempts alcoholic beverages containing more than 1.2% alcohol by volume (hereinafter, ABV) from displaying the mandatory list of ingredients (with the exception of ingredients that may have an allergenic effect) and the nutrition declaration, which is mandatory for all foods, with few exceptions. In the inter-institutional negotiations prior to the adoption of the FIR, the European Parliament had requested that the Commission prepare a report addressing whether alcoholic beverages should, in the future, be covered, in particular, by the requirement to provide nutritional

The screenshot shows the e-label for Absolut Vodka. At the top, there is a logo for 'U-label' and a language selector set to 'ENGLISH'. Below this is an image of the Absolut Vodka bottle. To the right of the bottle, the text reads: 'The Absolut Company AB', 'ABSOLUT VODKA', 'Swedish Vodka', 'Sweden', and '40% vol • 700 ml'. Below the bottle image is a 'RESPONSIBLE CONSUMPTION' section with three icons: a crossed-out alcohol glass, a crossed-out car, and a red circle with '18+'. Below these icons is the text 'responsible drinking.eu'. The next section is 'INGREDIENTS', which lists 'Vodka (Grain distillate and water)'. Below that is the 'NUTRITION DECLARATION' section, which includes a calculation: a bottle icon with '23.3 x 30 ml = 274.8 kJ' and '66 kcal' next to a glass icon. Below the calculation is the text '100 ml = 916 kJ / 219 kcal'. At the bottom of the screenshot is a table with nutritional information for 100ml and 30ml, and a 'SUSTAINABILITY' section.

| | 100ml | 30ml |
|--------------|---------|--------|
| Energy | 916kJ | 275kJ |
| | 219kcal | 66kcal |
| Fat | 0g | 0g |
| of which | | |
| Saturates | 0g | 0g |
| Carbohydrate | 0g | 0g |
| of which | | |
| Sugars | 0g | 0g |
| Protein | 0g | 0g |
| Salt | 0g | 0g |

Source: beveragedaily.com

information, and the reasons justifying possible exemptions. On 13 March 2017, the Commission published this report on the mandatory labelling of the list of ingredients and the nutrition declaration of alcoholic beverages. Main issues in the report included: 1) Whether there should be a list of ingredients for alcoholic beverages; 2) Whether a nutritional declaration for alcoholic beverages should be provided; 3) How the nutritional declaration should be presented to consumers (*i.e.*, per 100 ml or per serving size); and 4) Whether such information could be provided on off-label information sources, such as on the Internet (see *Trade Perspectives, Issue No. 6 of 24 March 2017*). This report was based on data collected by the Commission through EU Member States and stakeholder consultations.

The 2018 Joint Proposal by the European alcoholic beverages sectors

While the Commission's report concluded that objective grounds had not been identified that would justify the absence of information on ingredients and nutritional information on alcoholic beverages, or a differentiated treatment for some alcoholic beverages, it did not insist on mandatory labelling. The Commission noted that the alcoholic beverages sector appeared increasingly prepared to provide responses to consumers' expectations to know what they were buying and consuming. This was attributed to the expansion of concerted or individual voluntary initiatives. Therefore, the Commission granted producers of alcoholic beverages one year to deliver a self-regulatory proposal that would cover the entire sector of alcoholic beverages.

On 12 March 2018, the alcoholic beverages industry submitted the Joint Proposal to the Commission. The key elements of the Joint Proposal drawn up by the European alcoholic beverages sectors were as follows: 1) The nutritional information and the list of ingredients in the products would be provided (in tailor-made and meaningful ways); 2) The nutritional information and the list of ingredients would be given to consumers off-label and/or on-label. Off-label information will be easily accessible from the label itself; 3) Traditional and/or innovative tools (for providing access to information) would be used and comprehensive modern information systems could be developed; and 4) Food business operators responsible for food information would decide how to display the information. Attached to the Joint Proposal, four sector-specific annexes for beer, cider, spirits and wine had been developed by each sector to further concretely address the process and modalities for implementing the Joint Proposal for each sector: a) The spirits sector annex; b) The detailed wine and aromatised wine products annex; c) The European brewers' commitment to listing ingredients and nutrition information; and d) The European cider and fruit wine association annex. For spirits, members of *spiritsEUROPE*, a trade association representing producers of spirits drinks at the EU level, committed, in the sector-specific annex, to providing nutrition and ingredient listing by the end of 2022 either on- or off-label. Energy information would always be provided per portion (or single serve container) and, as required, per 100 ml.

On the basis of the current EU rules in the FIR, spirits producers that wish to voluntarily provide nutrition information on labels must do so per 100ml, which represents more than three standard servings of spirits and might contradict responsible drinking messages. This has been, and remains, a barrier for many operators when choosing where to display this information. This is why *spiritsEUROPE* invited the Commission to consider: 1) Allowing energy per serving to be mentioned more prominently than the 100ml on spirits labels; and 2) Requiring that all alcoholic beverages, which are not usually consumed per 100ml, display the mention of energy per serving, or single serve container (for more information on this debate, see *Trade Perspectives, Issue No. 6 of 23 March 2018*).

The follow-up to the Joint Proposal by the European alcoholic beverages sectors

Before the Joint Proposal was developed, the Commission had stated that, if the industry's Joint Proposal were not satisfactory, it would launch an impact assessment to review all available options. Following the submission of the Joint Proposal, a series of bilateral dialogues with the alcoholic beverages sectors took place "*to encourage them to improve the level of their commitment,*" as the Commission notes. On 4 June 2019, representatives of the spirits'

industry signed a *Memorandum of Understanding* on the labelling of spirits drinks in which they committed, over the coming years, to provide the energy value on label and the list of ingredients off label. On 4 July 2019, the Commission welcomed the signature of the *Memorandum of Understanding* and encouraged the industry to start implementing it as soon as possible to the benefit of consumers.

On 5 September 2019, *Brewers of Europe*, a trade association representing European breweries, and its members (*i.e.*, 37 initial signatories, including 25 national brewers' associations), signed a *Memorandum of Understanding* and committed, through the *Brewers' Ambition 2022*, to label ingredients and energy values on all beer bottles and cans in the EU by 2022. The Commission welcomed the signature of the *Memorandum of Understanding* and the "*Brewers' Ambition 2022*" and encouraged the beer industry to become the gold standard when it comes to industry commitments to labelling.

EU wine and spirits sectors provide nutritional information and ingredients online

In October 2021, the so-called *U-Label online platform* was launched following a collaboration between the *Comité Européen des Entreprises Vins* (CEEV), the association representing the European wine companies in the industry and trade of all wine categories, and *spiritsEUROPE*. The platform uses QR code technology to allow consumers to access information in any of the EU's official languages. On the *U-Label* website, basic product characteristics (*i.e.*, name, image, product category, alcohol by volume (ABV), net quantity) will be published together with additional information, such as the nutrition declaration per portion (and 100ml for spirits), other health warning pictograms or messages (*e.g.*, responsible drinking, warning consumers about potential health consequences of alcohol during pregnancy and +18 pictograms), sustainability certificates, and recycling information, as well as basic information about the producer (*i.e.*, name, logo, and website). The platform is currently in a pilot phase with 16 companies trialling it across different countries and products. The companies involved in the trial include *Absolut Vodka*, *Remy Cointreau*, *GH Mumm*, and *Taittinger Champagne*. From 1 November 2021, the platform will be open to all wine and spirits producers and accessible to consumers.

Nutrition and ingredients information for wine required from 2023

On 23 June 2021, the European Parliament and the Council of the EU reached [provisional political agreement](#) on the EU's new Common Agricultural Policy (CAP). Higher environmental and climate ambitions, aligned with the objectives of the *European Green Deal*, are to be implemented from January 2023. *Inter alia*, [specific rules](#) were agreed for the wine sector, including: 1) The authorisation to market de-alcoholised wines and to protect partially de-alcoholised wine products as geographical indications; and 2) The implementation of new rules on nutrition and ingredients labelling for wines and aromatised wine products to improve consumer information, requiring wine producers to indicate the energy value of their products, and ensuring that full nutrition and ingredients information is provided on the label or by electronic means.

Europe's Beating Cancer Plan with the proposal of a mandatory indication of ingredients and the nutrition declaration

On 3 February 2021, the Commission adopted *Europe's Beating Cancer Plan*, in which the Commission suggests, among other initiatives with respect to cancer prevention, several actions concerning alcoholic beverages, such as limiting online advertising and promotion, and reviewing EU legislation on the taxation of alcohol. The plan announced that the Commission would "*review its promotion policy on alcoholic beverages and in addition propose a mandatory indication of the list of ingredients and the nutrition declaration on alcoholic beverage labels before the end of 2022*". According to the plan, health warnings on labels could follow by the end of 2023. Health warnings on alcoholic beverages, following the example of tobacco products, would have a major impact on the industry.

The Commission proposal on the labelling of alcoholic beverages

In the [ongoing review of the FIR](#), the labelling of alcoholic beverages may also be addressed. In June 2021, the Commission published the [Inception Impact Assessment or Roadmap](#) on its initiative on *Food labelling - revision of rules on information provided to consumers for alcoholic beverages*. According to the Commission, the forthcoming proposal would complement the revision of the FIR, following up on the *Europe's Beating Cancer Plan*. According to the Commission's plan, an impact assessment considering different options is to be conducted in the context of the review of the FIR. A feedback period was open from 24 June until 22 July 2021, with submissions showing that, in general terms, trade associations advocate for voluntary off-label information, while non-governmental organisations strongly advocate for mandatory on-bottle labelling. A public consultation is planned for the fourth quarter of 2021 and the Commission would then expect to adopt its proposal in the fourth quarter of 2022.

Conclusion and outlook

With the new *U-Label* platform, the EU's wine and spirits sectors are increasingly preparing for the adoption of mandatory food labelling and information rules for the wine sector under the new CAP, the review of the FIR, and different policy initiatives like the EU's *Beating Cancer Plan* and the EU's *Farm to Fork Strategy*, which all address the matter of nutrition labelling. For the wine sector, indicating the energy value of the products, and ensuring full nutrition and ingredients information on the label or by electronic means, will be possible. It is a good example how industry sectors can address voluntarily, for example by electronic means, the matter of nutrition and ingredients indication, and help designing the rules before they are imposed by the regulators. All interested stakeholders should consider participating in the upcoming public consultation on the labelling of alcoholic beverages and closely follow this process.

Recently adopted EU legislation

Trade Law

- [Council Decision \(EU\) 2021/1764 of 5 October 2021 on the association of the Overseas Countries and Territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other \(Decision on the Overseas Association, including Greenland\)](#)
- [Council Decision \(EU\) 2021/1765 of 5 October 2021 on the position to be adopted on behalf of the European Union, for the period 2021–2026, within the Specialised Committee on Fisheries established by the Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part](#)

Trade Remedies

- [Commission Implementing Regulation \(EU\) 2021/1754 of 4 October 2021 amending Implementing Regulation \(EU\) 2019/1382 amending certain Regulations imposing anti-dumping or anti-subsidy measures on certain steel products subject to a safeguard measure](#)

Food Law

- [Regulation \(EU\) 2021/1756 of the European Parliament and of the Council of 6 October 2021 amending Regulation \(EU\) 2017/625 as regards official controls](#)

on animals and products of animal origin exported from third countries to the Union in order to ensure compliance with the prohibition of certain uses of antimicrobials and Regulation (EC) No 853/2004 as regards the direct supply of meat from poultry and lagomorphs (1)

- *Commission Implementing Regulation (EU) 2021/1762 of 30 September 2021 approving non-minor amendments to the specification for a name entered in the register of protected designations of origin and protected geographical indications ‘Σητεία Λασιθίου Κρήτης’ (Sitia Lasithiou Kritis) (PDO)*
- *Commission Delegated Regulation (EU) 2021/1760 of 26 May 2021 supplementing Regulation (EU) 2019/6 of the European Parliament and of the Council by establishing the criteria for the designation of antimicrobials to be reserved for the treatment of certain infections in humans (1)*

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