

## ACIBEV POSITION ON

### The Latvian new draft Law on the Handling of Alcoholic Beverages TRIS NOTIFICATION 2024/0351/LV

#### Framework

On July 1, the Latvian Ministry of Economics notified the European Commission under the 2015/1535 notification procedure of its draft law, "Amendments to the Handling of Alcoholic Beverages Law" ([TRIS 2024/0351/LV](#)). The proposal modifies the existing *Handling of Alcoholic Beverages Law*, enacted in 2004 and amended in 2020, which regulates all activities related to alcoholic beverages, including production, packaging, labelling, import, export, distribution, marketing, and retail on Latvian-registered trains, airplanes, and ships.

The deadline for comments under the TRIS notification procedure (standstill period) is 2 October 2024. These measures will come into effect on 1 June 2025, except for the labelling requirements, which will be applicable starting from 1 January 2028. Products "manufactured and labelled" before this date will be allowed to exhaust their stock without a time limit.

The Cabinet of Ministers must present to Parliament an assessment report on the impact of the restrictions on the economy and their alignment with public interests by 1 June 2026.

The Law has not yet been registered yet at the World Trade Organization (WTO).

#### AIM AND CONTENT OF THE REGULATION

The draft law aims to improve public health by protecting children and young people. It claims to be evidence-based, focusing on restricting alcohol advertising and availability while promoting awareness of health risks. Key objectives of the law include:

- Reducing per capita alcohol consumption among individuals aged 15 and above.
- Decreasing high-risk alcohol use.
- Lowering long-term alcohol-related illnesses and mortality rates, such as liver disease, accidents, drowning, injuries, and suicides.

Latvia's goals are based on recommendations from the WHO, insights from the OECD's "Health at a Glance," and studies on alcohol's impact during the COVID-19 pandemic, reflecting a commitment to align national policies with global health standards. The draft law introduces several requirements, claiming an intent to also align with so-called European Commission standards.

The new provisions ask for the following changes:

- Alcoholic beverage labels must include pictograms discouraging alcohol use during pregnancy and while driving. [Art. 4 (2), (3)]
- Labels must disclose ingredients, nutritional information and energy values. [Art. 4 (1)]
- Online orders of alcoholic beverages must be delivered no earlier than six hours after ordering. [Art. 6 (2)]

Additional provisions include:

- Mandatory warnings in retail outlets against alcohol consumption by minors and its adverse health effects. [Art. 2(2<sup>5</sup>)]
- Prohibition of free distribution of alcoholic beverages in gaming arcades and casinos. [Art. 1]
- Restricted hours for alcohol sales (Mon to Sat, 10:00 a.m. to 8:00 p.m.; Sun, 10:00 a.m. to 6:00 p.m.). [Art. 8(22)]
- A ban on marketing alcoholic beverages with more than 22% alcohol content in PET packaging up to 0.2 l. [Art. 2(3)]
- Restrictions on advertising price discounts for alcoholic beverages in print media, cinemas, and online platforms. [Art. 5(5)]
- A ban on Promotional activities such as "2 for 1" deals or bulk purchase discounts as part of loyalty programs for alcoholic beverages. [Art. 5(2) (3)]

## ACIBEV POSITION

ACIBEV (The Portuguese Wine and Spirits Association)<sup>1</sup> is committed to provide comments to the Latvian draft law titled "Amendments to the Handling of Alcoholic Beverages Law", notified by the Latvian authorities to the European Commission through the TRIS process in July 2024, to support fair internal market and trade rules.

The wine sector supports the Latvian authorities' goal of combating harmful and excessive alcohol consumption, especially among vulnerable groups. Through initiatives like Wine in Moderation<sup>2</sup>, the sector actively promotes moderate and responsible drinking and works to reduce minors' exposure to alcohol advertising. These issues are already addressed by European and national legislation and self-regulatory advertising codes.

Despite its intention to improve public health, the Latvian Draft Law, as proposed, shows several flaws:

### 1. The proposal fails in recognizing the distinction between use and abuse/harmful consumption.

Article 2, which amends Article 6(2) of the current Latvian law, requires retail locations to display warnings about the health risks of alcohol consumption. However, this provision does not distinguish between moderate and harmful alcohol use, ignoring scientific research. While excessive alcohol consumption is linked to an increased risk of cancer, studies show that moderate wine consumption, particularly with meals and as part of the Mediterranean diet, does not increase risk<sup>3</sup>.

Health warnings about alcohol should be based on scientific evidence, emphasizing moderation and responsible consumption while acknowledging the risks of excessive use. Moreover, the EC Communication on The European

<sup>1</sup> ACIBEV - Portuguese Wine and Spirits Association is a non-profit business association established in January 1975, which represents a significant part of the sector's turnover - production, distribution and trade of wines and spirits as well as vinegar and distillation of wine products. Its Associates have an annual turnover of more than sixty million euros, 60% of which are generated through export. Among our Associates are the majority of national export companies, leading companies in the various demarcated regions and companies that create brands that add value to Portuguese wines.

<sup>2</sup> <https://www.wineinmoderation.eu/>

<sup>3</sup> Most observational, epidemiological studies have shown a small increase in the risk of breast cancer for women who consume any alcoholic beverages compared to non-drinkers. According to these scientific studies, the increase is small for consumers of no more than one drink/day – an increase in relative risk (not absolute risk) between 5% and 10% - but the risk may be higher for women consuming greater amounts. Underreporting – that is women drinking more than they report - could contribute to these results. Since breast cancer is the most common cancer among women in Western countries, even a small increased breast cancer risk from light drinking women may be relevant. The risk of breast cancer is dose-dependent: it increases with the number of drinks consumed. For a light to moderate amount of wine consumed with meals, the risk has been shown to be relatively small. <https://www.wineinformationcouncil.eu>.

Health Union [COM (2024) 206 final), published on 22 May 2024, mentions the goal of reducing **harmful** alcohol consumption under the implementation of the Europe's Beating Cancer Plan.

## 1. Unilateral measure can threaten the harmonisation of EU legislation

The Latvian proposal anticipates the European Commission's plans to implement mandatory health warnings on alcoholic beverages as part of "Europe's Beating Cancer Plan." Any unilateral actions in this area should consider the need for potential harmonization with future European Commission guidelines.

The "Europe's Beating Cancer Plan" aims to reduce harmful alcohol consumption by introducing mandatory health warnings on alcoholic beverages. Although this proposal was expected to be enacted in 2023, the European Commission has not provided any updates so far. In addition, in the context of this initiative, the European Parliament adopted a resolution on February 16, 2022, titled "Strengthening Europe in the Fight Against Cancer." In point 16 of this resolution, the European Parliament supports better consumer information through improved labelling of alcoholic beverages. This includes providing information on moderate and responsible drinking, listing ingredients and nutritional information, and introducing digital labelling.

These elements should be considered in future initiatives in this field. Consequently, unilateral actions by Member States, such as Latvia's draft proposal (Article 7) on health warnings, risk undermining the harmonization of rules in the European Union, as well as the impact and effectiveness of such measures.

## 2. The requirement to indicate on the label the list of ingredients and the nutrition declaration is in breach of the EU regulations wine and aromatised wine products

The EU has adopted a harmonised legal framework for the indication of the list of ingredients and the nutrition declaration of wines and aromatised wine products. In particular, Regulation 1308/2013 and Regulation (EU) No 1151/2012, as amended by Regulation (EU) 2021/2117<sup>4</sup>, include provisions for the compulsory communication of the nutrition declaration of wines and aromatised wine products. Regulation (EU) 2021/2117 indicates that such communication can be done on the label, or under certain conditions, through digital means.

By requesting the mandatory indication on the label of these particulars, the Latvian draft law is inconsistent and incompatible with EU harmonised legislation for wines and aromatised wine products.

## 3. The proposal might hinder the principles of free movement of goods within the European Union

The Latvian draft law requires imported products to comply with local regulations, forcing manufacturers and importers to modify labels and creating barriers to trade in violation of EU law. If the labelling requirements are unjustified, they may be considered measures equivalent to quantitative restrictions, which are prohibited by Article 34 of the TFEU.

While exceptions exist, such as protecting human health, Latvia has not demonstrated that its labelling requirements are proportionate or necessary to achieve this objective. The government has not shown that less disruptive measures to communicate health information to consumers were considered. Member States must assess the impact of such measures on the free movement of goods and compare them to less trade-restrictive alternatives.

The proposal states that "by June 1, 2026, the Cabinet of Ministers shall assess the impact of the restrictions contained in this Law on the economy and their conformity with public interests and shall submit a report on the

<sup>4</sup> Regulation (EU) 2021/2117 of the European Parliament and of the Council of 2 December 2021 amending Regulations (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products and (EU) No 228/2013 laying down specific measures for agriculture in the outermost regions of the Union

assessment to the Saeima, as well as, if necessary, submit amendments to the relevant regulatory enactments to the Saeima" (art.25). However, this assessment occurs after implementation, and the proposal lacks provisions for compensation if the measures are found disproportionate or harmful to economic operators.

**Considering the above, ACIBEV requests the European Commission and EU Member States to issue, under the TRIS procedure, a detailed opinion on the Latvian draft law to block its adoption.**