

**WINEinMODERATION** 

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17/09/2024

## **CEEV POSITION ON**

The Latvian new draft Law on the Handling of Alcoholic Beverages

TRIS NOTIFICATION 2024/0351/LV

### A. FRAMEWORK

On July 1 2024, the Latvian Government notified the European Commission under the 2015/1535 notification procedure of its draft law, "Amendments to the Handling of Alcoholic Beverages Law" (<u>TRIS 2024/0351/LV</u>). 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 at the World Trade Organization (WTO).

#### B. AIM AND CONTENT OF THE REGULATION

The draft law aims to improve public health by protecting children and young people. It claims to be evidencebased, 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.

Latvian government states that the draft laws 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 main changes foreseen are as follows: Alcoholic beverage labels must include pictograms discouraging alcohol use during pregnancy and while driving. [Art. 4 (2), (3)]

• Physical/digital labels must disclose ingredients, nutritional information and energy values. [Art. 4 (1)]

Comité Européen des Entreprises Vins (CEEV) represents the European Union wine companies. It brings together 25 national organisations from 13 EU Member States, plus Switzerland, the UK and Ukraine, as well as a consortium of 4 leading European wine companies. The companies represented by CEEV, mainly SMEs, produce and market most quality European wines, both with and without a geographical indication, and account for over 90% of European wine exports.



- Online orders of alcoholic beverages must be delivered no earlier than six hours after ordering. [Art. 6 (2)]
- 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]
- Expanded 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 instead of 8:00 p.m.). [Art. 8(22)]
- A ban on marketing alcoholic beverages with more than 22% alcohol content (in PET) packaging up to 0.2 I. [Art. 2(3)]. The Latvian amended proposal does not specify whether it only refers to PET, CEEV ask the Latvian Authorities to clarify this element.
- 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)]

#### C. CEEV POSITION

Comité Européen des Entreprises Vins (CEEV) is providing 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 fully supports the Latvian authorities' goal of combating harmful alcohol consumption.

Despite its intention to improve public health, the Latvian Draft Law, as proposed, unfortunately raises some concerns:

#### I- ALIGNMENT ISSUES WITH EU LABELLING RULES

• Need to ensure that the list of ingredients can be provided by electronical means

We appreciate the Latvian authorities' initiative to incorporate the EU wines labelling rules in its national legislation. However, the proposed Article 7 as notified via the TRIS process, appears to go beyond the EU requirement, by imposing the provision on label of the list of ingredients.

According to EU Regulations 1308/2013 and 1151/2012, as amended by Regulation (EU) 2021/2117, the provisions of the list of ingredients can be done on the label, or under certain conditions, through digital means.

We call on the Latvian authorities to clarify that the Article 7 will be written in a way that will be fully in line with the recently adopted EU wine labelling rules.

• <u>Importance to take into account upcoming EU legislation on the provision of health-related</u> <u>information/guidance</u>

The EU wine sector is committed to providing consumers with transparent, accurate and science-based information related to the characteristics of wine products, as well as how to enjoy a moderate consumption of wine as part of a balanced lifestyle. It also wants to provide consumers with relevant information to make informed choices on whether to drink.

While our sector fully supports initiatives aimed at preventing alcohol consumption by pregnant women and drink driving, we ask the Latvian authorities **not to define new labelling rules only applicable for Latvia before the publication of a European Commission's proposal on this matter**.

# CCC Comité Européen CC des Entreprises Vins

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Harmonised legislation and Single Market are two of the greatest EU achievements and key assets for EU

wine companies and EU citizens. The use of pictograms should allow for a universal, language-free, system of communication that could adequately provide actionable guidance to customers while protecting the EU Single Market. As some logos are already used in other markets or voluntarily provided by some operators in the EU and beyond, it would also be important to take into consideration mutual recognition and harmonisation.

#### **II- NEW LABELLING RULES UNDERMINING FREE MOVEMENT OF GOODS**

#### New requirements to provide consumption guidance logos would lead to Latvia specific labels

The Latvian draft law would require imported products to comply with local regulations, forcing manufacturers and importers to modify labels specifically for the Latvian market, hence creating barriers to trade and hindering the good functioning of the Single Market.

In addition, the concrete modalities of implementation of these measures are not detailed as the notified draft law only evokes "other visual elements (e.g., bordelines, background drawing, or colour)". This makes impossible for the sector and Member States to precisely assess the concrete impact and efficiency of the proposed measure.

If the labelling requirements are unjustified, they may be considered measures equivalent to quantitative restrictions, which are prohibited by Article 34 of the TFEU.

As the EU will be working on a harmonised set of rules regarding the provision of health information for alcoholic beverages, we ask Latvia not to create such trade disruption and wait for a European framework on this specific issue.

#### **III- IMPORTANCE OF PROPORTIONALITY & SCIENTIFIC EVIDENCE**

Health-related information/guidance should focus on harmful use of alcohol, not consumption per se

Article 2, which amends Article 6(2) of the current Latvian law, requires retail locations to display warnings about underage drinking and the health risks of alcohol consumption.

However, this provision does not distinguish between moderate and harmful alcohol use and fails to acknowledge more than four decades of independent scientific research.

Broad statements, warning about the danger of alcohol consumption whatever the drinking pattern (quantity, frequency, context of consumption), do not provide guidance on individual health risks to customers who chose to consume alcoholic beverages in the context of everyday life, or help them reduce excessive drinking.

Consumers should receive actionable guidance and information based on scientific evidence, and aimed at addressing the **harmful use of alcohol** as stated in the WHO Global Strategy, and related <u>Action Plans</u>, endorsed by Member States.

#### **IV- RECOGNITION OF EXISTING INITIATIVES**

According to the latest statistics produced by WHO and one of the world's leading studies assessing the burden of disease (Global Burden of Disease), alcohol-related harms are decreasing in Latvia, and we welcome these positive trends. Indeed between 2010 and 2021 we saw:

2010 - 2019

- 17.5% reduction in the rate of age-standardized alcohol-related deaths
- 15.3% reduction in the rate of age-standardized alcohol-related disability



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#### 2010 - 2021

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- 11% reduction in total attributable mortality
- 49% reduction of attributable morbidity for ages <20
- 34% reduction of attributable morbidity from road injuries.

#### Wine in Moderation program

While the above data highlights the positive direction in which Latvia is moving, we acknowledge that more needs to be done to address harmful drinking patterns. We stand ready to collectively (the wine sector, government, and communities) accelerate this trend. Through initiatives such as <u>Wine in Moderation</u>, the wine sector actively promotes moderate and responsible drinking among those who chose to drink, and actively works towards reducing minors' exposure to alcohol advertising. [Cfr. <u>WIM Communication Standards</u>]. It represents a collective effort within our sector, a proactive approach, and a deep understanding of the science behind traditions, diets, lifestyles, and overall well- being. Based on the latest scientific information and through national and international campaigns (Wine in Moderation Day), through the future launch of a training on responsible service targeting a large network of professionals, and by empowering professionals and consumers to always enjoy wine moderately and responsibly, the wine sector aims and works towards a sustainable culture of wine.

#### • Sharing tools and best practices to prevent minors from purchasing alcohol

It is our understanding that one of the main objectives of Article 2 is to ensure alcohol cannot be purchased by minors. On this issue, one of the main challenges is to ensure that ID controls actually take place in the retail outlets. To address this specific point, the International Alliance for Responsible Drinking (IARD) has launched free online training tools designed to support retailers and hospitality venues across the world in their efforts to ensure that their staff who sell or serve alcohol do so lawfully and responsibly. The online courses are available here and focus on:

- The importance of verifying a customer's age and sobriety during in-store purchases or service.
- The consequences of selling alcohol to those underage and intoxicated people.
- Communication techniques to refuse sale and service of alcohol where necessary and to handle difficult situations.
- Methods server staff can use to better promote and support responsible choices.
- Advice on appropriate ways to respond if server staff are asked directly for drinking advice.

These useful tools, available freely for all, can be used to give staff the confidence to deny sales and service where necessary.

In light of the above, CEEV requests the Latvian government to:

- 1) Clarify that the labelling requirements on the provision of ingredients information are in line with EU law.
- 2) Wait for and eventually align with harmonised EU rules on the provision of responsible consumption logos for alcoholic beverages, in consultation with the sector.
- 3) Withdraw its draft law or to the European Commission and other EU Member States to issue, under the TRIS procedure, a detailed opinion on the Latvian draft law against its adoption in its current form.