



spiritsEUROPE Commitment
Labelling

Implementing the March 2018 Commitment and the MoU

spiritsEUROPE
29 November 2019

The March 2018 Committment





Our commitment on 12 March 2018:

Nutrition information and ingredients listing will be made available to consumers for all EU spirits, either **on** or **off-label**.

spiritsEUROPE will support its members in their efforts to provide this information and will regularly assess, and report on, the use of both options over the next four years.



copa*cogeca
european farmers european agri-cooperatives

Spirits sector annex

to the self-regulatory proposal from the European alcoholic beverages sectors on the provision of nutrition information and ingredients listing



Interim Progress Report
on the Implementation of the Self-Regulatory Commitment of spiritsEUROPE
on the Provision of Nutrition Information and Ingredients Listing
October 2019

Background Information

In March 2018, the European alcoholic beverages sectors submitted a [joint self-regulatory commitment](#) on the provision of nutrition information and ingredients listing for consumers to the European Commission. In the [sector specific annex](#) to the joint document, spiritsEUROPE committed to ensure that, by the end of 2022, nutrition information and ingredients listing of all spirits sold in the EU will be made available to consumers (online and/or offline) and to provide an interim report on the progress made by October 2019. The commitment of spiritsEUROPE was further enhanced and formalized in the [Memorandum of Understanding on the provision of nutrition information & ingredients listing of spirit drinks sold in the EU](#) (MoU), which was signed in the presence of EU Health Commissioner Vytenis Andriukaitis in Paris on 4 June 2019.

This document presents the first interim progress report in line with the reporting commitments made. It will be part of a series of regular updates that will be provided until the end of the implementation period of the MoU (31 December 2022). The next progress report will be issued in January 2021.

Summary of Progress Made to Date

Since 4 June 2019, continuous and significant progress has been made with regards to the implementation of the MoU in the following five areas:

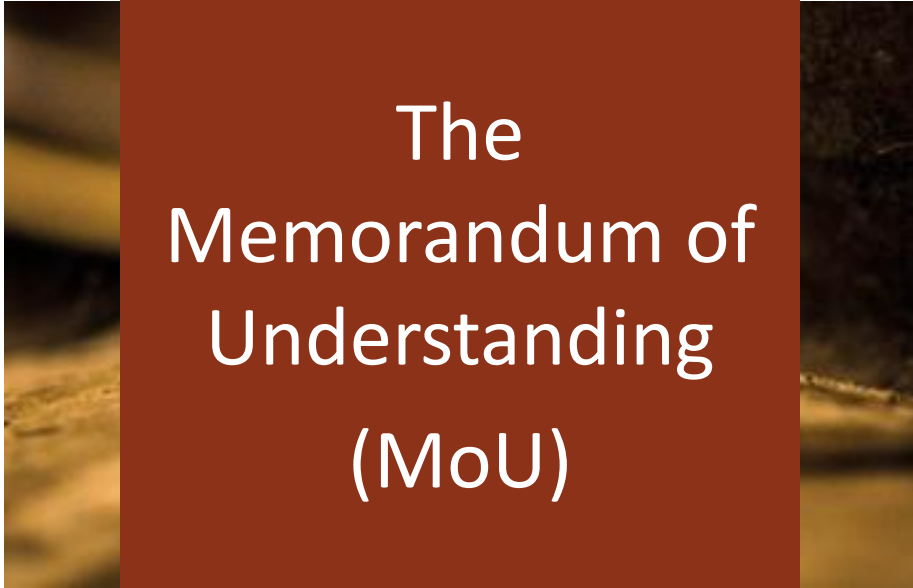
1. **Widening the signatory base of the MoU:** two additional members have signed the MoU since June, thus widening its reach and impact across Europe. Moreover, additional members of spiritsEUROPE have voiced their intent to co-sign the MoU in the near future.
2. **A gradually growing number of SKUs with energy information on-pack is available on the market:** information from the membership and regular ad hoc spot-checks in retailers confirm that the gradual roll-out is unfolding at the expected pace. Also, confirmation from many members has been obtained about their plans to label further SKUs with energy on-pack information as and when updated versions of labels will be launched in the coming months.
3. **Broader availability of digital information in line with the MoU's provisions:** the detailed information available on www.responsibledrinking.eu (energy information per 100ml and per serving size/30 ml, list of ingredients, full nutrition declaration and information on the production process of all 47 spirit drinks categories legally sold in the EU) has been updated to **include information on the raw materials used** in line with the commitment made in the MoU. In addition, various members are in the process of **translating the information** contained in this website into their national languages, thus broadening the information available.
4. **The cooperation between GS1 in Europe and spiritsEUROPE** on the provision of consumer information on-line, via a standardized e-label (e.g. a barcode or a QR-code) is **on track**. Several meetings took place to jointly define key attributes and the data-sharing principles.
5. **Helpdesk & implementation support to the membership:** to support ongoing implementation efforts by our members, spiritsEUROPE has developed an **Implementation Guideline to the MoU** in which, amongst others, detailed information is provided on the recommended unit of consumption, tolerance levels for the indication of nutrients as well as the calculation of the energy value of spirit drinks. The Implementation Guideline will be extended in the coming months to cover additional aspects of the MoU and a **Question & Answer document**. In addition, spiritsEUROPE is organizing a **road-show across Europe** to familiarize members with the commitments as set out in the MoU in detail and provide **practical advice regarding its implementation**.

- In line with our commitment, we published a progress report in October 2019.
- We intend to publish a series of regular updates that will be provided until the end of the implementation period of the MoU (end 2022).
- The next progress report will be issued in January 2021.



- 1. Development of the Memorandum of Understanding**
- 2. Widening the signatory base of the MoU**
- 3. A gradually growing number of SKUs with energy information on-pack is available on the market**
- 4. Broader availability of digital information in line with the MoU's provisions (www.responsibleddrinking.eu)**
- 5. Established cooperation between GS1 in Europe and spiritsEUROPE**
- 6. Helpdesk & implementation support to the membership**
 - Implementation Guideline to the MoU
 - Question & Answer document
 - Road-show across Europe
 - Practical advice on the MoU implementation



A blurred background image showing a landscape with a body of water and a distant shoreline under a dark sky.

The Memorandum of Understanding (MoU)



Signature of the MoU on 4 June 2019 in Paris



We welcome very much this initiative and encourage as many companies of the spirits sector to take part in it. The efforts of the sector to provide consumers with the information they need are greatly appreciated and we are confident that they will provide a valuable basis for evaluating the impact of the proposed approach and building further developments in the future.



Rollout & Monitoring Targets

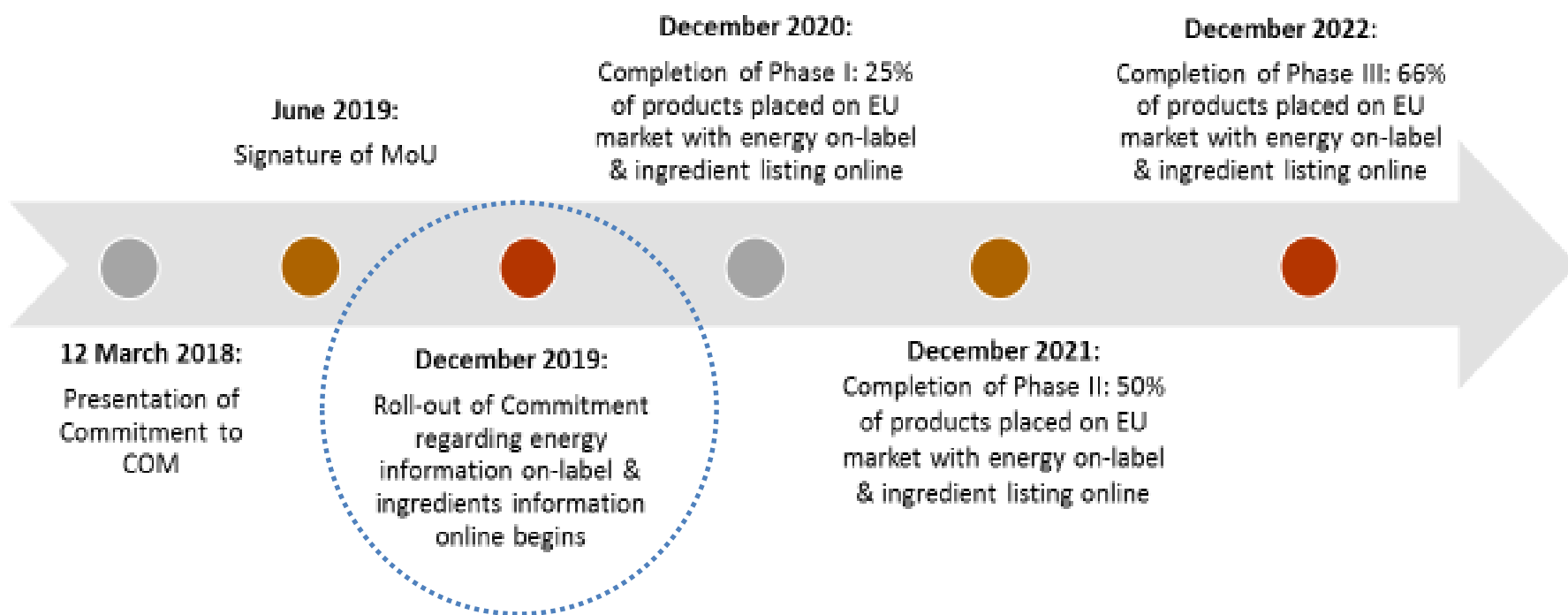


The objective is to ensure that the collective total EU market share (**by volume**) of products placed on the EU market providing **energy information on-label** and **list of ingredients online** will constitute at least:

- ✓ **25 % by 31 December 2020**
- ✓ **50 % by 31 December 2021**
- ✓ **66 % by 31 December 2022**



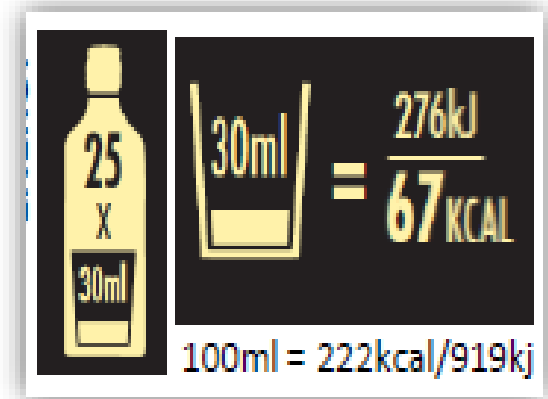
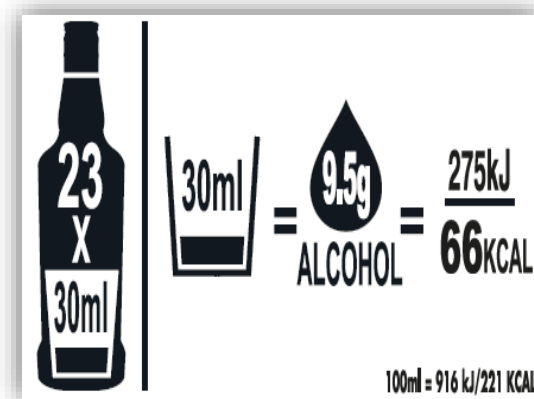
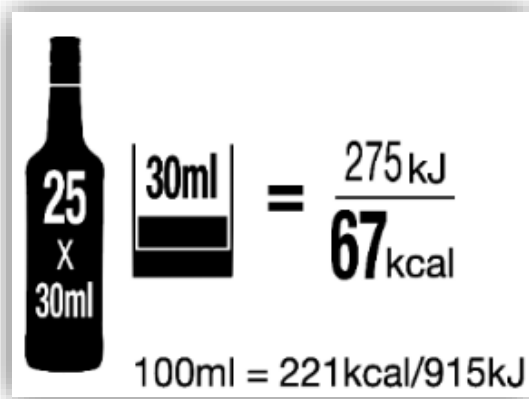
Timeline for Monitoring & Reporting



Labelling Energy On-Pack



- The illustrations below are for indicative purposes only; in terms of display, colour, and shape the provision of the information may be adapted to the shape and colours of the bottle, labels and/or the brand image.
- The font must be easily legible
 - Minimum font size for lowercase written text is 1.2mm
 - Calories information per kcal can be emphasized

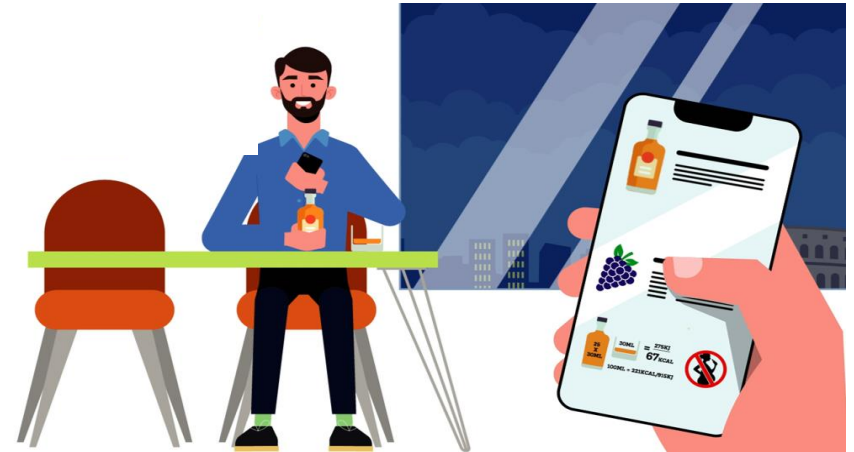


Consumer Information Online



Technical Know-How:

- Define a **new standard** to exchange consumer information on-line
 - Ingredient list, raw materials, info on each spirits production process
- Develop an **e-label** that is easily accessible to consumer: anytime, anywhere, in all EU languages



spiritsEUROPE Template on Nutrition and Ingredient Information



Provision of Consumer Information Online



Way forward:

- roll-out of dedicated online information platforms and solutions (to be made available in all EU languages)
- bespoke standardized solution that will be mass-scalable & ubiquitously available (via apps) currently under development in cooperation with GS1



Website for consumers with information on each of the 47 spirit categories



- One-stop-shop web-portal providing consumers with easy access to detailed information on all spirit drinks legally sold in the EU (www.responsibleddrinking.eu)
- Part of the sector's:
 - consistent push to boost the availability of nutrition and ingredient information
 - commitment submitted to the European Commission last year
- Based on members' input/approval, for each category we provide:
 - **ingredients list**
 - **full nutrition declaration**
 - **production process**
 - **What is (not) allowed**

Website is available for members for translation into national languages!!



RUM

Ingredient List:

- Rum
- Water
- Sugar (if used)
- Colour: plain caramel (if used)

RUM (37.5%)

Nutrition information



62 Kcal / serve
30ml
257 kJ



207 Kcal / 100ml
857.394 kJ

RUM 37.5% vol.	30ml Per serving size	100ml
Energy	62 Kcal / 257 kJ	207 Kcal / 857.394 kJ
Fat	0	0
Saturates	0	0
Carbohydrates	0	0
Sugars	0	0
Protein	0	0
Salt	0	0



Production Process

Rum can be made in one of 2 ways:

- Fermentation and distillation of either (a) molasses or syrup produced in the manufacture of cane sugar, or (b) sugar-cane juice itself. It must be distilled at less than 96% vol. so that distillate has the organoleptic characteristics of rum.

OR

- Fermentation and distillation of sugar cane juice, where the spirit has a volatile substance content of 2.25g or more per litre of pure alcohol. The word 'agricultural' may supplement the name 'rum' along with any of the registered geographical indications from the French Overseas Departments or the Autonomous Region of Madeira.

The word '*traditionnel*' can supplement any of the registered rum geographical indications when the spirit (a) has been produced only from raw materials originating in the place of production, (b) has been distilled at less than 90% vol., (c) contains volatile substances of 2.25g or more per litre of pure alcohol, and (d) has not been sweetened.



Strength

Rum sold to consumers has a minimum alcoholic strength of 37.5% vol.



Permitted

The use of caramel to adapt the colour and (other than for 'traditionnel' rum) the addition of sugar to 'round off' the taste. (2 years after the new spirits regulation takes effect, i.e. around spring 2021, the addition of sugar will be limited to a maximum of 20g / litre of rum.)



Not allowed

The addition of any other alcohol and the use of flavourings.



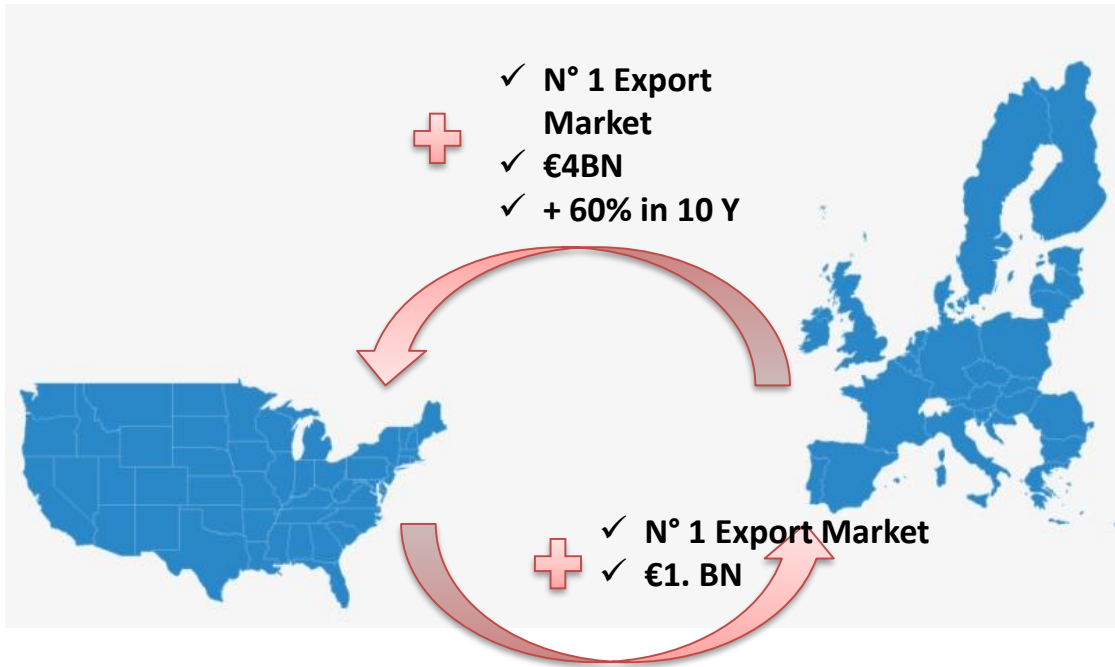


Impact of the US import duties

spiritsEUROPE

Presentation for CDG meeting of 29 November 2019

EU-US TRADE BEFORE THE TARIFFS



KEY DATES

1994

During the Uruguay Round, the QUAD group (EU, US, Canada and Japan) agreed in the context of a so-called **zero-for-zero agreement** to phase out all import tariffs on beer and brown spirits.

US and the EU signed an agreement by which each party agreed to recognise certain products as **distinctive** of the US and the EU.

1997

During the 1996 WTO Ministerial in Singapore, the EU and the US agreed bilaterally **to extend coverage to virtually all spirit**



A Flourishing trade relationship across EU



	EXPORT TO THE US	IMPORT FROM THE US	MS TRADE BALANCE
EU 28	4,271,279,808	862,650,721	+ 3,408,629,087
AUSTRIA	5,617,983	5,368,116	+ 249,867
BELGIUM AND LUXEMBURG	4,017,862	11,278,939	- 7,261,077
BULGARIA	405,828	6,107,673	-5,701,845
CROATIA	628,346	4,662,134	-4,033,788
CYPRUS	10,858	1,071,401	-1,060,543
CZECH REPUBLIC	1,442,609	5,669,926	-4,227,317
DENMARK	563,049	2,412,751	-1,849,702
ESTONIA	85,212	1,015,770	-930,558
FINLAND	5,013,644	2,974,461	+2,039,183
FRANCE	1,585,536,680	91,519,800	+1,494,016,880
GERMANY	95,787,659	189,096,300	-93,308,641
GREECE	1,890,428	4,899,766	-3,009,338
HUNGARY	224,792	4,840,908	-4,616,116
IRELAND	534,779,073	7,660,952	+527,118,121
ITALY	121,367,869	150,207,537	-28,839,668

LATVIA	17,478,743	3,299,394	+14,179,349
LITHUANIA	220,366	3,105,060	-2,884,694
MALTA	11,127	698,180	-687,053
NETHERLANDS	84,014,270	37,338,374	+46,675,896
POLAND	18,813,538	27,895,454	-9,081,916
PORTUGAL	1,466,735	3,766,569	-2,299,834
ROMANIA	115,043	10,118,560	-10,003,517
SLOVAKIA	668,752	2,268,930	-1,600,178
SLOVENIA	23,681	2,974,772	-2,951,091
SPAIN	16,075,105	105,098,120	-89,023,015
SWEDEN	190,437,841	2,611,584	+187,826,257
UNITED-KINGDOM	1,584,908,303	174,689,290	+14,102,19,013

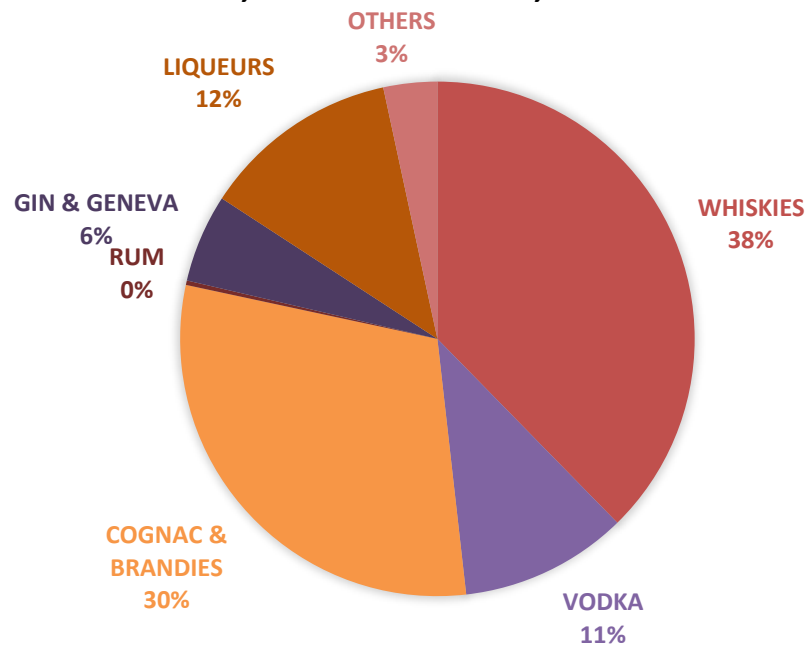
Source Eurostat, Comext



Diversity & unity of the sector across the Atlantic



DISTRIBUTION OF SPIRITS EXPORTS TO US , BY CATEGORIES, IN 2018



- ✓ European, American companies have heavily invested in various segments of the sector.
- ✓ This cross investment has been a key driver for the sector's competitiveness.
- ✓ There are 8 European companies within top 15 largest US whisky operators in the EU



Spirit Drinks caught up in unrelated trade disputes



JUNE 2018

EU rebalancing measures in the context of the unilateral US action on 232 on steel / aluminum

+25%

US whiskey constitute **20% of the total value** of the EU list for potential counterbalancing measures of €2.8 billion euros

OCTOBER 2019

Since 18 October, US imposes an additional import duties on spirits originating from EU Member States

+25%

- Single-Malt Scotch Whisky and Irish Whiskey from the UK
- Liqueurs and Cordials imported from Germany, Ireland, Italy, Spain, and United Kingdom

EU spirits represents 12% of the total value of trade impacted (**20%** if aircraft are excluded)

More to come? On 17 April 2019, the EU issued preliminary list of certain U.S. products which it may apply additional duties in **Boeing case** : the proposed list includes several spirits (**brandy, rum, vodka,**) approx. \$50M



- ✓ In the short term, risk on investment and job creation in the **industry**
- ✓ In the longer term impact on productivity and growth.
- ✓ In Europe, a number of companies' have made significant investment in the last few years and there is a risk of scaling down
- ✓ Impact on **consumers** on both sides
- ✓ Impact on **the value chain**: the spirits sector supports directly and indirectly many jobs from importers, distributors, wholesalers, to the hospitality sector.

