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EU trade policy remains controversial – Italy might not ratify the free trade agreement with Canada, as negotiations with other trading partners continue or are being launched

On 14 June 2018, in an interview with Italy's *La Stampa* newspaper, Italy's new Minister of Agriculture, Mr. Gian Marco Centinaio, did not exclude the option that, in alliance with other EU Member States, such as France and Spain, Italy would not ratify the Comprehensive Economic and Trade Agreement (hereinafter, CETA) between the EU and Canada. The CETA had already faced an uphill climb leading to its conclusion due to opposition from the Belgian region of Wallonia (see *Trade Perspectives*, [Issue No. 19 of 21 October 2016](#)). Meanwhile, the EU has officially launched negotiations with Australia and New Zealand, while negotiations with Mercosur and Chile progress, the former at a much slower pace than anticipated earlier this year.

In October 2016, the EU and Canada concluded their negotiations on the CETA. Most parts of the Agreement, notably those falling under EU competences, are already being provisionally applied since the end of September 2017. The few provisions that will not enter into force until all EU Member States have ratified the CETA include those dealing with investment protection, investment market access for portfolio investments, and the establishment of an investment court system (ICS). Apart from Wallonia's concerns, which had led to the delayed conclusion of negotiations in 2016, several issues have recently complicated trade relations between Canada and Italy. On the one hand, Canada has been concerned and outspoken about Italy's recent measures requiring Country of Origin Labelling (COOL) and applying to an increasing number of food products, such as meat, dairy, durum wheat in durum wheat flour pasta, and tomato products (see, for example, *Trade Perspectives*, [Issue No. 5 of 10 March 2017](#)). On the other hand, Italy continues to raise its concerns with respect to the so-called '*Italian-sounding*' products sold in Canada and the US (see *Trade Perspectives*, [Issue No. 2 of 26 February 2016](#)) and underlines the importance of the protection of its food specialties through the recognition of EU geographical indications (hereinafter, GIs) in third countries. The latter issue now appears to be Italy's primary concern with respect to the CETA and has become a serious concern in many of the EU's trade negotiations. This is due to the diverging policy approaches on the issue, as well as the concerns over domestic production under equivalent or similar names in the EU partner countries, such as *Parmesan* produced in Canada. 221 Italian products are currently protected as GIs within the EU. 41 of those have been included in the CETA and will be

recognised by Canada. The 41 Italian GIs make up more than a quarter of all EU's GIs protected under the CETA.

Italy's Minister of Agriculture told the *La Stampa* newspaper that Italy would not ratify the CETA because it protected only a small part of Italy's products, which are protected as GIs in the EU. The Minister did not limit his opposition to the CETA, but also referred to all other agreements similar to the CETA, noting that the Italian Government would ask the Italian Parliament not to ratify the CETA. Whether the Minister's position is shared by Italy's new Government, which has been in office since the beginning of June, remains uncertain. Canada's Government appears to be well aware of the issue and Italy's Prime Minister Giuseppe Conte and Canada's Minister of Foreign Affairs Chrystia Freeland reportedly discussed CETA ratification on the side-lines of the G7 Summit from 8 to 9 June 2018.

In order for the full agreement to come into force, it must be ratified by all 28 EU Member States. EU Member States follow their own constitutional procedures for the ratification of international conventions and are free to do so on the basis of a time frame of their choice. It remains within their right to debate and delay ratification, independently of the reason. In the past, such as in the case of the EU-Ukraine Free Trade and Association Agreement, which was rejected by Dutch voters in a referendum, the EU typically held discussions aimed at finding a solution that would not require the reopening of negotiations. The question remains, whether any EU Member State may withhold ratification of a trade agreement for disagreement with a provision of the legal instrument that falls squarely within EU competence. Procedurally, it appears that this objective could indeed be achieved since EU Member States need to ratify in full '*mixed*' agreements and not only those provisions (also) falling within EU Member States' competences. This is clearly contrary to the broader objectives of the allocation of competences between the EU and its Member States and is a further reason that will, with no doubt, prompt the EU to split future agreements into parts falling exclusively within EU competences and others where EU Member States' competences are concerned (see *Trade Perspectives*, [Issue No. 10 of 18 May 2018](#)). As long as Italy delays the ratification, the provisions that do not fall within exclusive EU competence will not enter into force, but the vast majority of the CETA continues to – provisionally – apply. Until now, only 10 EU Member States (*i.e.*, Austria, Croatia, the Czech Republic, Denmark, Estonia, Latvia, Lithuania, Malta, Portugal, and Spain) have ratified the CETA.

On 18 and 21 June 2018, respectively, the EU officially launched negotiations for comprehensive trade agreements with Australia and New Zealand. The official launch came shortly after the Council of the EU (hereinafter, Council) had authorised the European Commission (hereinafter, Commission) to begin trade negotiations with both countries and adopted the negotiating directives for both sets of trade talks (see *Trade Perspectives*, [Issue No. 11 of 1 June 2018](#)) on 22 May 2018. The Commission had proposed said directives already back in September 2017 and a certain degree of impatience was growing in Australia and New Zealand to finally begin formal negotiations. Businesses in the EU and in these two partner countries consider the opening of trade negotiations to be an important opportunity to further eliminate tariffs and non-tariff barriers (NTBs). Australia's Prime Minister Malcolm Turnbull and Australia's Trade Minister Steven Ciobo stated that Australia would see to "*lock in access and create new commercially meaningful opportunities for Australian services exporters, with a focus on education, financial, and professional services*" and that Australia would "*explore rules and initiatives to support the digital economy, innovation, and increase opportunities for high-technology startups*".

Australia's Minister of Trade and the EU's Commissioner for Trade Cecilia Malmström already identified the issues of EU's GIs for products such as cheese and wine, as well as the issue of affordable access to medicines, as likely to be contentious. With respect to medicines, it must be noted that, in the context of the negotiations of the Trans Pacific Partnership (TPP), Australia insisted that it would protect its Pharmaceutical Benefits Scheme, under which Australia subsidises the cost of medicines for most medical conditions, and would not extend the period of data protection available to the manufacturers of biologic

medicines made from living organisms. With respect to New Zealand, the EU's conditions of market access for meat products and trade in kiwifruit appear to be among the more difficult issues to be negotiated (see *Trade Perspectives*, [Issue No. 11 of 1 June 2018](#)).

Meanwhile, the EU continues its negotiations with its trading partners in Latin America. From 28 May to 1 June 2018, the third negotiating round took place with Chile in view to update the existing trade agreement. Negotiations appear to progress swiftly and the Commission, on 22 June 2018, [published](#) three new text proposals, on animal and plant health, trade and sustainable development, and trade and gender equality. The date for the next negotiating round has not been agreed yet, though negotiators agreed to meet again "soon". From 4 to 8 June 2018, the latest round of negotiations between the EU and Mercosur took place in Uruguay, officially the 33rd round of negotiations, since negotiations originally started in 2000. At the end of 2017, officials had been hopeful to conclude negotiations shortly, but now uncertainty reigns again, with no clear timeframe for conclusion.

Last year, the EU had intended to politically conclude negotiations with Mexico, as well as with Mercosur, on the side-lines of the WTO Ministerial Conference held in Buenos Aires in December 2017. At the end of March 2018, EU officials had stated that significant obstacles remained, in particular with respect to meat, geographical indications and motor vehicles. Now, after two additional rounds in April and June, no significant progress has been reported and a conclusion during this year has reportedly become questionable. After the round in June, the Commission stated that the EU and Mercosur "*achieved progress on several issues such as services and exchanges were constructive overall but there is still work to be done, notably on cars and car parts, geographical indications, maritime transport and dairy*". On the other hand, despite strong efforts by farmers, Ireland does not appear to intend to block the future agreement in view of the effects on the Irish beef sector. Referring to the strong support by the EU regarding 'Brexit', Ireland's Minister for Agriculture Michael Creed stated that delaying the negotiations would be "*inappropriate*". The Minister underlined that Ireland would continue to press its case, but that it also recognised that trade was a two-way street, with Ireland seeing opportunities in certain sectors, such dairy. However, feeling "*particularly exposed in the beef sector*", Ireland would "*continue to try to negotiate the best possible deal*". Such pragmatic approach is needed to find common ground on the various issues still on the table. A new date for negotiations does not appear to have been set yet and might only take place after the summer recess. As Brazil's presidential elections will take place in October, the timeframe to reach a political conclusion of the negotiations may be limited.

The EU continues to move ahead with its agenda on trade agreements. While the overall approach appears to be agreeable to EU Member States, contentious issues and more controversial agreements continue to jeopardise more rapid progress and sometimes even the conclusion or ratification of fully negotiated agreements. Additionally, while often providing important impulses for the negotiations, non-governmental organisations and other stakeholders with special interests sometimes tend to use generalisations and exaggerations to influence public opinion. An open and honest debate in the EU and within the EU's trading partners is necessary. However, the EU risks to lose credibility vis-à-vis its trading partners if negotiations continue to be delayed because of EU-internal struggles. With the EU's revised approach on trade negotiations (see *Trade Perspectives*, [Issue No. 10 of 18 May 2018](#)), the EU was expected to regain trust and credibility with its trading partners.

It appears unrealistic, at best, that Italy's last-minute opposition could jeopardise the CETA, most of which is already being provisionally applied since the end of September 2017. The long-lasting negotiations with Mercosur appear to require the political will for a political agreement, which is unlikely to satisfy all individual interests at stake. Finally, after an entire year has been spent on reflections on the EU's approach, negotiations with Australia and New Zealand are poised to finally begin. The first formal round of negotiations between the EU and Australia will take place in Brussels from 2 to 6 July 2018 and between the EU and New Zealand from 16 to 20 July 2018. All interested stakeholders, traders and EU trading

partners should properly understand the issues at stake and engage with the relevant interlocutors within the EU and beyond.

Towards an EU ban of *trans* fats? As the EFSA publishes a new report, Denmark calls on the EU to restrict industrially-produced *trans* fatty acids in food

On 19 June 2018, the European Food Safety Authority (hereinafter, EFSA) published a technical report entitled '*Scientific and technical assistance on trans fatty acids*'. The report has been compiled upon request of the Commission, asking the EFSA "*to compile the outcomes of scientific advice already provided by EFSA with regard to the health effects of trans fats, in particular in the areas of nutrition and health claims, dietary reference values (DRVs) and food additives, and to inform the Commission on how such scientific advice relates to current goals and recommendations regarding the intake of trans fats to maintain health*". While the EU is currently still reflecting on adequate measures on *trans* fatty acids (hereinafter, TFAs), often also referred to as *trans* fats, and conducting its impact assessment, other countries are moving forward with bans and legal limits.

TFAs are specific types of unsaturated fatty acids and are naturally present in food products derived from ruminant animals (*i.e.*, mammals able to acquire nutrients from plant-based food by fermenting it in a specialised stomach prior to digestion, mainly through microbial actions), such as dairy products or meat from cattle, sheep or goat, as well as in some plants and products of vegetable origin (*i.e.*, leeks, peas, lettuces and rapeseed oil). Most importantly, TFAs are also present in fats that have been industrially processed to artificially solidify them through hydrogenation (*i.e.*, to treat with hydrogen). Industrially produced TFAs can only be obtained through the process of partial hydrogenation. Partial hydrogenation of vegetable oils has an impact on the physiochemical and functional properties of the unsaturated fatty acids, thereby leading to a high content of TFAs (depending on the type of fat and method). The majority of TFAs can be found in processed food products, such as certain ready meals, biscuits, potato chips, ready-made sauces or margarines, but also in take-away food.

Article 30(7) of *Regulation (EU) No. 1169/2011 of the European Parliament and of the Council on the provision of food information to consumers* (hereinafter, FIR) provides that the Commission submit a report on "*the presence of trans fats in foods and in the overall diet of the Union population. The aim of the report shall be to assess the impact of appropriate means that could enable consumers to make healthier food and overall dietary choices or that could promote the provision of healthier food options to consumers, including, among others, the provision of information on trans fats to consumers or restrictions on their use. The Commission shall accompany this report with a legislative proposal, if appropriate*".

Options of addressing TFAs were evaluated by the Commission in the *Report from the Commission to the European Parliament and the Council regarding TFAs in foods and in the overall diet of the Union population* (hereinafter, the Report), published on 3 December 2015. The Report details and evaluates five possible options to reduce TFA consumption in the EU: 1) The introduction of a mandatory TFA content declaration in the EU; 2) An EU legal limit on the TFA content of food; 3) Voluntary agreements towards reducing TFA in foods and diets at EU level; 4) An EU guidance for national legal limits on the TFA content of food; or 5) The action could be left at the national level and/or to voluntary reduction efforts. According to the Report, leaving this issue to the EU Member States would not ensure that all EU citizens benefit from the reduction and would continue the current piecemeal approach, negatively affecting the Internal Market. The Commission is currently carrying out an Impact Assessment on possible measures to limit intakes of industrial TFAs in the diet of EU consumers. Options include, *inter alia*, limiting industrial TFAs content in food through self-regulation or through a legally-binding measure, introducing mandatory labelling of the TFA content of foods on food labels, or prohibiting the use of partly hydrogenated oils through

self-regulation or through a legally-binding measure. From 17 November 2017 to 9 February 2018, the Commission asked stakeholders for contributions. The public consultation integrates the targeted consultations with interested stakeholders and national competent authorities already carried out by the Commission and by an external contractor that supported the Commission's work on TFAs. The public consultation was aimed at providing an additional possibility for all stakeholders and individual citizens, having an interest in TFAs, to provide their views on key elements of the Impact Assessment.

Currently, EU legislation, in its rules on nutrition labelling laid down in the FIR, puts an emphasis on saturated fatty acids. Article 30 of the FIR, which establishes the mandatory content of the nutrition labelling declaration, requires that nutrition labelling declarations include: 1) Energy value; and 2) The amounts of fat, saturates, carbohydrate, sugars, protein and salt. No indication of TFAs is currently required. Also, EU legislation does not require a specific reference to TFAs in the list of ingredients, neither does it regulate the content of TFAs in foodstuffs. However, the FIR requires, in No. 8 of Part A of Annex VII, that the expression '*fully hydrogenated*' or '*partly hydrogenated*', accompany the indication of hydrogenated fats and oils in the lists of ingredients. Therefore, knowledgeable consumers can already identify whether a product contains TFAs. Furthermore, Annex 1 of *Regulation (EC) No. 1924/2006 of the European Parliament and of the Council of 20 December 2006 on nutrition and health claims made on foods* (NHCR) provides claims for products that have a '*Low-saturated fat*' content and for those that are '*Saturated fat-free*', if the respective requirements (*i.e.*, the amount of saturated fatty acids) in the respective products are met.

The recently published report from the EFSA is likely to inform the Commission in addition to the ongoing impact assessment. The report summarises advice already provided by the EFSA with regard to the health effects of trans fats, in particular in the areas of nutrition and health claims, dietary reference values (hereinafter, DRVs) and food additives. The report concludes that the scientific advice provided by the EFSA Panel on Dietetic Products, Nutrition and Allergies (NDA), in the areas of health claims made on food and DRVs, and the scientific advice provided by the EFSA Panel on Food Additives and Nutrient Sources Added to Food (ANS) Panel, in the area of food additives regarding the health effects of TFAs in mixed diets, is consistent with the scientific basis underlying most recent DRVs, nutritional goals and recommendations, and dietary guidelines for TFAs set by other national and international bodies. Further studies consulted by the EFSA indicated a consistent association between higher intakes of TFAs and increased risk of coronary heart disease. The consistency of the evidence from these studies provided the EFSA with strong support for the conclusion that TFA intake increases the risk of coronary heart disease as compared to the intake of other fatty acids in the diet. The report then notes that the vast majority of the latest national recommendations in the EU, and the most recent recommendations from medical professional associations in Europe and the US, indicated that the consumption of TFAs should be '*as low as possible*'.

In June 2018, the Danish Government called a ban of *trans* fats across the EU. Already in 2003, Denmark had limited the content of industrially-produced TFAs in food to 2%. Reportedly, cases of heart disease have considerably decreased since then. The European consumer rights organisation BEUC, which had already addressed this issue in a letter to the Commission in 2015 (see *Trade Perspectives, Issue No. 10 of 15 May 2015*), is also supporting an EU-wide ban of TFAs. Indeed, an increasing number of health and consumer institutions in the EU now advocate for very low limits of TFAs and, usually, opt for the recommendation that the TFA level should be '*as low as possible*'.

The EFSA report also underlines that the most recent *USDA Dietary Guidelines for Americans* recommend avoiding industrially-produced TFAs and limiting intakes of TFAs from natural sources to less than 0.5% of total energy. Already on 15 June 2015, the US Food and Drug Administration (hereinafter, FDA) had announced that most *trans* fats were no longer considered as '*generally recognised as safe*' (*i.e.*, GRAS) and must be removed from manufactured foods. Food business operators were then granted a three-year transition period, which expired on 18 June 2018. By this date, food manufacturers had to replace

industrially-produced TFAs with alternative (healthier) fats, such as palm oil, which is solid at room temperature and does not need to undergo hydrogenation. Food products with hydrogenated oils already on store shelves may still be sold until stocks are depleted. Indeed, in order to allow for an orderly transition in the marketplace, the FDA is allowing more time for products produced prior to 18 June 2018 to work their way through the distribution chains by extending the compliance date for these foods to 1 January 2020. However, reportedly, those quantities are so small that experts already consider industrially-produced *trans* fats to have been eliminated in the US.

Following the now effective ban in the US, as well as the developments at the global level, in particular by the World Health Organization (WHO) that called on governments to eliminate industrially produced TFAs by 2023 (see *Trade Perspectives*, [Issue No. 11 of 1 June 2018](#)), important Japanese food businesses operators are also removing partially hydrogenated oils from their products, mainly from margarines. Such products are now marketed with claims such as '*non-use of partially hydrogenated fats and oil*' and '*reduction of trans-fatty acids*'.

The Commission's impact assessment on measures addressing TFAs is expected to be finalised and published by the end of summer of this year. Reportedly, in view of the advanced actions taken at EU Member States' level and of public opinion on TFAs, a proposal on a low legal limit is to be expected. Considering the increasing international measures aimed at limiting TFAs, initiatives by international organisations, and the WHO's call to eliminate industrially produced TFAs by 2023, it now appears to be only a matter of months until the EU takes further actions. Interested stakeholders, food manufacturers and suppliers of TFA alternatives should closely follow these developments in the EU and beyond, in order to prepare or take the appropriate actions.

Calls mount in the EU and its Member States to act on advertising of food and drinks that are high in fat, sugar and salt (HFSS) addressed at children

On 15 June 2018, at the 14th Consumer Protection Ministers Conference (*Verbraucherschutzministerkonferenz*, VSMK, in its German acronym), representatives of the German Federal States backed a resolution in which they call on the Federal German Government to take action against advertising of food and drinks that are high in fat, sugar and salt (hereinafter, HFSS foods) targeting children and adolescents. This resolution was adopted a few months before the plenary of the European Parliament is scheduled to debate the proposal for a *Directive of the European Parliament and of the Council amending Directive 2010/13/EU on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services in view of changing market realities* (hereinafter, AVMSD) on 2 October 2018. At the same time, EU Member States like Germany and the UK are debating further measures to curb advertisements of HFSS foods directed at children.

On 25 May 2016, the Commission had published a proposal to amend the AVMSD, including provisions on restrictions of advertisements for HFSS foods and drinks to children and on related nutrient profiles for such foods. The Commission's proposal for an amended AVMSD seeks to respond to the market, consumption and technological changes in the audiovisual media landscape, due to ever-increasing convergence between television and services distributed via the Internet. Traditional broadcasting in the EU remains strong in terms of viewership, advertising revenues and investment in content (around 30% of revenues). However, broadcasters are extending their activities online and new players offering audiovisual content via the internet (e.g., video-on-demand providers and video-sharing platforms) are getting stronger and competing for the same audiences, although they are subject to different rules and varying levels of consumer protection. The general objectives of the AVMSD proposal are to: 1) Enhance the protection of minors and consumers in general through, where possible, harmonised EU audiovisual standards; 2) Ensure a level playing field between traditional broadcasters, on-demand audiovisual media services and video-

sharing platforms; and 3) Simplify the legislative framework, in particular on commercial communications.

As regards commercial communications, the AVMSD proposal aims at reducing the burden of TV broadcasters while maintaining, and even reinforcing, those rules seeking to protect the most vulnerable. For example, the revised AVMSD maintains the strict 20% limit on advertising time, but gives broadcasters more flexibility as to when advertisements can be shown. It also allows more flexibility regarding product placement and sponsorship. Finally, the proposal of May 2015 encourages the adoption of self- and co-regulatory codes of conduct regarding inappropriate audiovisual commercial communications, accompanying or included in '*programmes with a significant children's audience*', of HFSS foods and beverages. The current AVMSD only requests EU Member States and the Commission to encourage media service providers to develop codes of conduct regarding such inappropriate communications, which accompany or are included in '*children's programmes*', of such foods and beverages.

In the European Parliament's Committee on Culture and Education (hereinafter, CULT) report on the AVMSD proposal of 10 May 2017 (see *Trade Perspectives, Issue No. 11 of 2 June 2017*), the CULT Committee considers that the notion '*programmes with a significant children's audience*' suggested by the Commission in its proposal is neither clear nor legally sound, because programmes not initially targeting children, such as sport events or TV singing contests, may fall within this category. The report, therefore, suggested to keep the current terminology of '*children programmes*' in the revised AVMSD. It must be recalled that, on request of the CULT Committee, which is leading scrutiny of the AVMSD proposal, the European Parliament's Committee on Environment, Public Health and Food Safety (hereinafter, ENVI) adopted, on 31 January 2017, an opinion on the proposed AVMSD, in which it called for restrictions of advertisements for HFSS foods more generally during '*children's programmes and in content aiming at a children's audience, including social networks*' (see *Trade Perspectives, Issue No. 3 of 10 February 2017*). The CULT Committee's proposed amendment, which related to '*children's programmes*', instead of '*programmes with a significant children's audience*', is significant. Given that many popular prime-time TV programmes have also a children's audience and would not fall under the restrictions (which would apply only to specific '*children's programmes*' like animated cartoon films), the CULT Committee appears to favour '*watering down*' the Commission's original proposal and also the ENVI Committee's opinion.

After the report of the European Parliament's CULT Committee of 10 May 2017 was tabled for a plenary debate and vote within the European Parliament, on 23 May 2017, a '*general approach*' was reached by the Council of the EU (hereinafter, Council) on this legislative proposal. A '*general approach*' agreed in the Council can help to speed up the legislative procedure and even facilitate an agreement at first reading between the two institutions, as it provides the European Parliament with an indication of the Council's position prior to the first reading. The Council presented a consolidated text for ease of reading in which the text of the original Commission proposal in the form approved by the Council is indicated in bold.

As regards the programmes where audiovisual commercial communications of HFSS foods are considered inappropriate, Article 9 of the consolidated Council text refers to '*children's programmes*': "*Member States are encouraged to use co-regulation and to foster self-regulation through codes of conduct [...] regarding inappropriate audiovisual commercial communications, accompanying or included in children's programmes, of foods and beverages containing nutrients, and substances with a nutritional or physiological effect, in particular fat, saturated fats, trans-fatty acids, salt or sodium and sugars, of which excessive intakes in the overall diet are not recommended*". Those codes must aim at effectively limiting the exposure of minors to the audiovisual commercial communications of foods and beverages that are high in salt, sugars or fat, or that otherwise do not fit national or international nutritional guidelines. Those codes must also ensure that audiovisual commercial communications do not emphasise the positive qualities of the nutritional aspects of such foods and beverages. The Commission must encourage the exchange of best

practices on self- and co-regulatory codes of conduct. EU Member States and the Commission may foster self-regulation through EU codes of conduct.

The notions in the Commission's proposal of *'programmes with a significant children's audience'* or *'children's programmes and in content aiming at a children's audience, including social networks'*, as referred to them by the ENVI Committee's opinion has, therefore, not been approved by the Council in the *'general approach'* towards the legislative proposal. The Council also appears to agree with the ENVI and CULT Committees that there is no need to include specific nutrient profiles to define HFSS foods or to define which products are considered *'unhealthy'* under the AVMSD. The Commission's proposal had referred to *"certain widely recognised nutritional guidelines [that] exist at national and international level, such as the World Health Organisation (WHO) Regional Office for Europe's nutrient profile model, in order to differentiate foods on the basis of their nutritional composition in the context of foods television advertising to children"*.

In the context of advertising of HFSS foods targeting children, the resolution adopted in June 2018 by the competent consumer protection ministers of the German Federal States gathered in the VSMK calls on the Federal German Government to take action against such advertising targeting children and adolescents. It calls on the Federal Minister of Food and Agriculture, Julia Klöckner, to ensure by law that only such foods that meet the criteria of the World Health Organisation for healthy children's food may be marketed to children. Furthermore, the resolution states that nutrition labelling in traffic light colours must be enforced, as well as a special levy on sugar-sweetened beverages and a VAT exemption on fruits and vegetables. The resolution argues that a comprehensive policy was needed to promote healthy eating, not just friendly recommendations to the food industry. A purely voluntary strategy for reducing sugar, fat and salt alone is considered *'just a drop in the ocean'*. Noting that children were a lucrative target group for the food industry and were particularly receptive to junk food advertising, pointing to research suggesting that this contributes to malnutrition, the acting chairman of the VSMK and Saarland's Minister for Environment and Consumer Protection, Reinhold Jost, reportedly said that voluntary advertising codes were not proving effective in curbing the influence of food industry advertising and that, against the backdrop of the large number of overweight children in Germany, there was a need for action to protect the next generation from inappropriate advertising.

In the UK, proposals that form part of the Government's updated Childhood Obesity Plan, which was widely criticised for being too weak when it was launched two years ago, also relate to the issue of advertisements for HFSS foods. Health Secretary Jeremy Hunt announced that the measures, which will open for consultation by the end of the year, include: 1) Banning the sale of sweets and snacks at checkouts, shop entrances and in buy-one-get-one-free deals; 2) New restrictions on advertising HFSS food to children on TV and online, which could include a pre-9:00 pm ban; 3) Clear calorie labelling in restaurants, cafes and takeaways, to help families know what they are eating; and 4) Ending the sale to children of energy drinks containing high levels of caffeine.

A number of measures have already been taken or are being discussed in the UK. A sugar tax on manufacturers that sell high-sugar drinks came into force in April. This resulted in some drinks increasing in price, while other brands cut the sugar content of their drinks in order to avoid the levy. The tax currently does not cover flavoured milk drinks, but it could do so in the future. Public Health England, an executive agency sponsored by the Department of Health and Social Care, has also started a programme challenging manufacturers to reduce sugar content in products like cakes, biscuits and cereals by 20% over the next four years. On 30 May 2018, the Health Select Committee, one of the Select Committees of the British House of Commons that oversees the operations of the Department of Health and its associated bodies, published the report titled *'Childhood obesity: Time for action'*, which backed a 9:00 pm watershed on junk food advertising and the alignment of regulations on non-broadcast media with broadcast media. It also called for a ban on brand-generated or -

licensed TV and film characters to promote HFSS items on broadcast and non-broadcast media.

The date of 2 October 2018 is currently provided as the indicative plenary sitting date for the debate and adoption of the AVMSD. Stakeholders should closely monitor the developments in the EU on the AVMSD proposal and, in particular, on advertising restrictions on HFSS foods, as well as developments in the EU Member States. Operators should be prepared to participate in shaping potentially upcoming legislation by interacting with EU Institutions, EU Member States' Governments, relevant trade associations and affected stakeholders.

Recently Adopted EU Legislation

Market Access

- *Commission Implementing Regulation (EU) 2018/886 of 20 June 2018 on certain commercial policy measures concerning certain products originating in the United States of America and amending Implementing Regulation (EU) 2018/724*

Customs Law

- *Council Regulation (EU) 2018/914 of 25 June 2018 amending Regulation (EU) No 1387/2013 suspending the autonomous Common Customs Tariff duties on certain agricultural and industrial products*
- *Council Regulation (EU) 2018/913 of 25 June 2018 amending Regulation (EU) No 1388/2013 opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products*

Trade Remedies

- *Commission Implementing Regulation (EU) 2018/921 of 28 June 2018 imposing a definitive anti-dumping duty on imports of tartaric acid originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council*
- *Commission Implementing Decision (EU) 2018/928 of 28 June 2018 terminating the re-opening of the investigation concerning the judgments in joined cases C-186/14 P and C-193/14 P in relation to Council Regulation (EC) No 926/2009 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain seamless pipes and tubes of iron or steel originating in the People's Republic of China and Commission Implementing Regulation (EU) 2015/2272 imposing a definitive anti-dumping duty on imports of certain seamless pipes and tubes of iron or steel originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Council Regulation (EC) No 1225/2009*

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