

## Post-Brexit Opportunities: Removing unnecessary regulation: stimulating innovation while maintaining standards and protecting consumers

Clearly defined EU product standards and labelling rules protect consumers and producers alike. For example, EU rules on the definitions of gin, distilled gin and London gin protect both consumers and producers from inferior products. Similar protections are also provided by strict EU rules on how wine can be made, labelled and marketed.

The current definitions and categories of spirit drinks and most of the production rules for wine should be maintained after the transition period. However, EU rules can be slow to develop and reach the statute book., They do not always keep pace with product development or changing consumer behaviour which can stifle innovation to the disadvantage of producers and consumers.

At the end of the transition period, the UK Government should commit to removing obstacles to innovation including:

- introducing new categories of spirit drinks - e.g. flavoured gin;
- reviewing how low and no-alcohol products are labelled and marketed; and
- reviewing whether restrictions on post-import treatment of wine are fit for purpose

## Encouraging innovation and protections consumers: Flavoured Gin

Over recent years the resurgent interest in gin has sparked not only a significant increase in the number of distilleries across the UK producing gin, but also in the number of innovative products coming on to the market. Flavoured gin, gins and gin-based liqueurs have been a huge success.

The current EU-based rules do not account for recent developments and therefore risk undermining consumer confidence in gin as a category while at the same time stifling innovation. The UK being able to diverge from EU rules at the end of the transition period provides the opportunity to update the current regulatory framework: in particular to establish specific production rules for flavoured gin.

The EU Spirit Drinks Regulation EU 110/2008, now updated by Regulation 2019/787, sets out amongst others, definitions and technical standards for a for a range of spirit drinks including three categories of gin: **Gin, Distilled gin** and **London (dry) gin**. While the individual production rules differ, cutting across all the gin categories are the requirements that all three must have a minimum abv of 37.5% and that each must taste predominately of juniper.

While there are no specific rules for producing a flavoured gin, the Regulations permit the use of one of the 46 defined categories of spirit drinks with one or more foodstuffs - also known as a compound term. The EU rules on compound terms are, at best, confusing. As things stand as things stand a product described by a compound term could either have to meet the minimum abv (37.5% for gin) or could be below the minimum abv requirements depending on production method used. This can lead to significant variations in abv, and therefore excise duty and ultimately cost, while potentially misleading consumers. We have identified five different ways of legally calling a product [fruit] gin, each with a different specification – that can't be right.

The WSTA is collaborating with its members and having consulted more widely has developed a proposed definition which would enhance the category of flavoured gin, protect consumers and also protect the existing definitions. **At the end of the transition period, the Government should introduce the following definition into UK law:**

### **Flavoured Distilled gin**

- (a) Flavoured distilled gin is distilled gin, as defined, which has been given a predominant flavour other than that of juniper
- (b) The minimum alcoholic strength by volume of flavoured distilled gin shall be 37.5 %.
- (c) Flavoured distilled gin may be sweetened, blended, matured or coloured.
- (d) When sweetened, the final product shall contain less than 100 g of sweetening products per litre, expressed as invert sugar.
- (e)
- (f) Flavoured distilled gin may also be sold under the name of any predominant flavour together with the words 'distilled gin'
- (g)
- (h) The only flavourings which may be used are flavouring substances, natural flavouring substances and food ingredients with flavouring properties

## Low and No Alcohol Descriptors

The labelling and marketing rules governing low and no alcohol products are confusing and out of touch not only with the current consumer demand for lower, low and no alcohol products but also the technological advances in producing these products. The WSTA has been leading discussions in the UK with producers, retailers and Trading Standards to develop guidance to provide clarity for consumers, enforcement bodies and producers. The guidance covers, amongst other things, use of terms such as distilled and spirit on product labels. The guidance builds on the current guidance issued in 2018 by the Department of Health and Social Care but, based on feedback from industry, updates this guidance to reflect current manufacturing of these products. When finalised, this guide will be presented to government and regulators to help address this relatively new and dynamic sector and to provide a baseline for producers and regulators to follow when producing, labelling and marketing these low and no alternative products. If necessary, the guidance could be formalised into UK law once the UK has left the EU.

## Wine Production Rules

EU wine production rules generally follow international standards and practices set out by the International Organisation of Vine and Wine (OIV). There are however instances when EU production rules favour EU producers over third country producers. In particular restrictions on permitted post-production practices do not take into account the needs of those that import wine in bulk.

Over 40% of still wine consumed in the UK is shipped in bulk and bottled in the UK. Not only does provide a significant boost to the UK economy in terms of jobs, shipping in bulk also offers significant environmental benefits over shipping in bottle. In addition, some 20% of bulk wine imported and bottled in the UK is subsequently re-exported. In advance of the end of the transition period, the UK Government should review the current regulatory framework, including consulting third country producers, to determine whether the current rules are fit for purpose and whether changes should be introduced as soon as the UK has left the EU.

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