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Social Dialogue in the Food and Drink Industry

Joint EFFAT-FoodDrinkEurope Position on Discriminatory Food Taxes

The governments of some EU Member States have recently introduced taxes on specific food categories and food ingredients such as sugar, fat, artificial sweeteners, soft drinks, fast food and pastry. These governments have so far justified these measures as an 'effective' way to address the societal challenge of increasing rates in obesity and other diet- and lifestyle-related non-communicable diseases. However, scientific evidence proving that taxation represents an effective means of changing consumer behaviour and of successfully tackling obesity and other non-communicable disease is yet inconclusive.

The danger of food taxes

Such taxes, instead, can damage the competitiveness of EU food industries and prompt unfair competition and cross-border shopping across EU regions as they:

- are economically regressive, since they especially penalize low-income populations, when these are known commonly to spend a larger share of their revenues on food;
- are discriminatory, as they target certain food products and ingredients and not others comparable or equivalent in content;
- distort the functioning of the EU internal market, as they alter harmonized product formulation and standards across the EU Member states and generate uncertainty for ongoing investment plans and trade agreements putting productive operations and employment potentially at stake;

The EU food and drink industries pledge

Food and drinks produced in the EU have never been as safe, as healthy or of such high quality as they are today. All actors throughout the supply chain – including Europe's food and drink industry, farmers, retailers, trade unions, consumers and non-governmental organisations – have already made a lot of progress in ensuring that food and drinks available to EU consumers meet these criteria. Many products have already been reformulated to meet consumer demands for 'lighter' versions and an increased choice/availability in portion sizes is being provided. Nutritional information given to consumers is now much more accessible and clear and food and drink product advertising has become more responsible.

Nonetheless, more can be done. Social Partners in the EU food and drink industries FoodDrinkEurope¹ and EFFAT² acknowledge the societal challenges linked to the increased

¹ **FoodDrinkEurope's** mission is to represent the food and drink industries of the EU. FoodDrinkEurope's membership consists of 24 national federations and 3 observers, 25 European sector associations and 18 major food and drink companies (for more information: <http://www.fooddrinkeurope.eu>).

² **EFFAT** is the European Trade Union Confederation representing 2.6 million workers through 120 national trade unions from 35 European countries employed in the food processing, agriculture, tobacco, hotel, catering and tourism industries across the EU (for more information: <http://www.fffat.org>).

incidence of obesity and non-communicable diseases among EU populations. They take their responsibility seriously and are committed to manufacture, promote and sell products that are not only safe and tasty to eat, but also contribute to the health and nutrition of consumers by forming part of a balanced diet. This includes bringing to market products that are accessible and affordable to consumers and that carry all the necessary information, in a way easy to understand, to make appropriate dietary choices. The issue of health and nutrition is high on the agenda of the EU food and drink industry and it shall be seen by its operators as a positive opportunity to invest in new markets, generate new productive operations and employment through i.e. reformulation, innovation and diversification.

Call for a holistic approach

Discriminatory taxes, however, are not the right solution to a complex, multi-factoral societal issue such as obesity and other non-communicable diseases, which can only be effectively addressed by a “whole-of-society”, holistic approach. FoodDrinkEurope and EFFAT therefore urge EU governments to refrain from introducing discriminatory food taxes and rather encourage positive behavioral change and balanced diets and lifestyles through initiatives such as:

- Promoting the education of consumers on nutrition, cooking and active lifestyles (including physical activity) from a young age
- Supporting people with eating disorders
- Sensitizing and demanding responsibility in tackling obesity and non-communicable diseases from all the actors of the food value chain, including canteens and restaurants
- Encouraging and providing incentives to the actors of the food value chain to reformulate products, implement responsible marketing guidelines and advertising, and secure consumer access to easily understandable nutritional information
- Addressing the social and economic obstacles to balanced diets and healthy lifestyles such as low income, inequality and social exclusion within the EU population

Social Partners are willing to do their share and take part in multi-stakeholder initiatives at a European and national level and are available for discussion and consultation.



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