

Cheers!

The Beverage Alcohol committee was originally set up to deal with issues such as customs inspection, labeling regulations and trade dress violations, particularly in terms of European geographical indications. As part of its commitment to ensuring a sustainable Market, the committee regularly meets with the National Treasury Department and the Intellectual Property Office (IPO).

Q: What is the purpose of the Beverage Alcohol Committee?

The BAC works with industry members, various trade offices, and overseas groups and associations to address issues of concern that arise in the legal and regulatory framework governing the production, importation, distribution, and sale of beverage alcohol within the Taiwanese market. The Committee has developed a long standing working relationship with various ministries and agencies within the Taiwanese government. The Committee seeks to keep the beverage alcohol market open, fair, transparent, and competitive.

Q: What are some of the recent objectives for the committee?

We have been seeking to strengthen our relations with the government as well as with non-member domestic and foreign stakeholders to work together to reduce alcohol related harm within Taiwanese society. BAC members have been at the forefront of alcohol harm reduction measures in Taiwan for almost a decade – most notably through the establishment of the Taiwan Beverage Alcohol Forum. Many people may not have heard of the body but will be aware of its various campaigns over the years regarding drinking and driving and designated driver programs.

We also have a full slate of market issues that remain of concern including improving enforcement in the marketplace of the ‘definition’ of whisky, the equalization of the tariff on sparkling wines, the Mijiu reclassification issue, and decoding (the legal importation of products that have had the original manufacturer’s lot code removed.)

Q: Please describe some of the biggest challenges the committee is facing now.

The World Health Organization has set alcohol harm reduction as a priority and Taiwan, though not a member, has unofficially signed on to implement measures to reduce alcohol harm

within society. The reduction of harm is not the challenge – BAC members have taken the lead in Taiwan. The challenge rests with identifying alcohol related issues within society and then determining how best to go about minimizing their harm. For that, we need the support of both the government and all stakeholders. We have made a lot of progress in the last twelve months in developing that support but it has been slower than we would like.

The second aspect of that challenge rests with implementing solutions that actually reduce alcohol related harm in a meaningful way. The uninformed and knee-jerk approach would be to follow the ‘restrict, prohibit, and tax’ model used for tobacco. This approach fails for alcohol harm reduction though on several levels and at best can be seen as a quick tax grab. The RPT model fails to identify what real alcohol related problems exist in society, what the roots causes of those problems are, and then how to best address them. It also fails to consider the different nature of alcohol and tobacco. The RPT model used for tobacco has the ultimate goal of ending tobacco use as it is recognised to be a harmful product.

Alcohol consumed responsibly though has had a significant social and cultural role in most societies for thousands of years. Taiwan even cited the important role of alcohol in Taiwan’s culture and society in support of its reclassification of Mijiu. We are thus optimistic that the government will not abandon this understanding and adopt a RPT model.

Q: What are some of the long-term goals of the committee?

Industry and the state share the same long-term goal of reducing alcohol harm. We believe that significant progress can be made on the issue in Taiwan if the government proactively engages all stakeholders on the issues to come up with and implement solutions. We believe that this type of self-regulatory approach can bring about more rapid and effective change when compared to the alternative of attempting to legislate a solution.

And of course, we seek to maintain the open, fair, transparent, and competitive market that we currently enjoy.

Q: The recent toxic food additives/plasticizer incident has aroused serious concerns. What do you think is essential



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to enhance food and drink safety? What areas should the government and industry put more efforts in? (original lot code for better traceability; counterfeit alcohol products)

Lot codes have been required on alcohol products manufactured in the EC since 1992 and those EC produced products cannot be exported from the EC without that original manufacturer's lot code being labelled (unless lot codes are prohibited in the importing country – we are not aware of any). Taiwan has though required lot codes on beverage alcohol products since 2007. Taiwan, however, maintains a loophole in the law that permits, in practice, the importation of beverage alcohol products that have had the original manufacturer's lot code removed overseas. A Taiwan specific lot code must then be affixed before entering the local market.

The law in the EU requires manufacturers of alcohol products in the EC to provide a mechanism that allows traceability of its products throughout the supply chain. The global nature of the alcohol trade, as well as additional statutory obligations for industry such as those under the United States Bioterrorism Act of 2002, requires systems and procedures to ensure global traceability of products. While the Taiwan specific lot code allows for some traceability of problem products identified within Taiwan, allowing the importation of alcohol products with the the original manufacturer's lot code removed undermines global traceability. This raises an unacceptable risk to both the consumer and industry in situations such as:

- a problem product might remain in the local market after having been recalled from overseas markets;
- a manufacturer's ability to take effective and timely action overseas would be impaired if a problem were first identified in Taiwan;
- product tampering and contamination of the supply chain by third parties with political, social, or economic agendas pose very real threats to global trade and consumers. These threats and the nature of the industry require global product traceability. The EC Regulations and the U.S. Bioterrorism Act of 2002 reflect this need and the current reality;
- identifying and preventing stolen or illicit products from entering the marketplace.

Our concerns over Taiwan's failure to close the loophole and the potential risks both in Taiwan and globally have been dismissed for four years now by the government.

Q: How do ECCT Beverage & Alcohol Committee members promote responsible drinking to consumers? Why is this so important?

In a nutshell, members promote responsible drinking to consumers through individual measures – think, “Drink Responsibly” – and responsible advertising influenced by such things as company codes of conduct. And then further through membership in or support for international and/or domestic associations. The latter then frequently adopt industry codes of conduct governing the relationship with the consumer and work collectively and with other stakeholders to address issues that the industry sees as being a concern in the local market: for example, the long standing and ongoing TBAF campaign against drinking and driving in Taiwan.

It is important as responsible drinking is not only in the consumer's best interests but also in the best interests of both society and the industry.

Q: What is the drinking culture like in Taiwan? How does it affect business compared to European countries?

Taiwan's drinking culture reflects society here itself - very friendly and social overall.

Q: Please describe some of the recent CSR efforts by members of the committee.

The TBAF has been running ongoing designated driver campaigns as well as anti-drinking and driving ones. Both individual members and the TBAF have worked closely with the relevant authorities on these campaigns over the years.

TBAF members will shortly be entering into a Taiwan-specific code of conduct for advertising and marketing. This is one example of industry self-regulation and a timely example of how industry can often bring about change more expeditiously than the state.

We have had representatives from the International Center for Alcohol Policies visit Taiwan twice in the last twelve months to discuss alcohol harm reduction measures with domestic and foreign stakeholders as well as meet with the government.

These are collective efforts. It would take several pages to outline all of the projects and contributions made just by the largest three BAC members over the last decade to Taiwan let alone the individual efforts of all the members. ■

Mr Marcus Clinch's profile can be accessed by scanning the following QR code:



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