

Open Letter to European Commissioner for Trade Karel De Gucht

Trade Commissioner and alcohol industry – time to re-evaluate the relation

09/07/2014

Dear Commissioner De Gucht,

I hope that my letter finds you and your team in the Directorate-General for Trade well.

I am addressing you today, on behalf of the members of IOGT International – 116 civil society organizations in 58 countries around the world – in reaction to the speech you delivered to Spirits Europe recently. I also address you today, to ask for a meeting with you to take the dialogue outlined in my letter one step further.

Commissioner De Gucht, I address you today worried and troubled by the content of your speech – concerning both what you chose to take up and what you chose to leave out.

Commissioner De Gucht, with all due respect I think that the praise you shower over the alcohol industry is ill advised. I am worried by the fact that you chose not to address alcohol harm and its burden on public health, social fabric, economic productivity and prosperity and democracy.

Please allow me to outline a few points here, which I look forward to discussing with you in person in near future:

The costs we face in Europe due to alcohol harm outweigh the economic contributions made by the alcohol trade. We know, for example, that the benefits of the Transatlantic Trade and Investments Partnership (According to your own study €120 billion over 10 years) are dwarfed by the annual costs of alcohol harm in the European Union.

Alcohol harm costs the European Union €156 billion every year.

Looking to trade partners of the EU around the world, we also know that the operations of the alcohol industry are far from welcome everywhere – aggressive lobbying and pressuring of decision-makers; undermining of democratic decisions; and simply the tremendous harm that the alcohol industry is manufacturing. Civil society, including our member organizations, for instance in Thailand and India, in Vietnam and Sub-Saharan Africa understand the track record of the alcohol industry. They do not want to see their social and economic progress jeopardized by an industry that puts profit over human rights, employing the same tactics and strategies like the tobacco industry. They want regulations that protect and promote public health, social development and economic prosperity.

In this context, Commissioner De Gucht, I am looking forward to meeting you and our continued dialogue about the need for public health policies to respect trade and for trade policies to respect and protect public health goals.

Worldwide, every ten seconds, a human being dies because of alcohol. Alcohol kills more people in the world than AIDS, tuberculosis and violence combined. Every year we lose 3.3 million lives because of alcohol – because of alcohol-induced violence and abuse, because of a vast number of alcohol-related diseases and disorders (cancer, heart disease, HIV/ AIDS, tuberculosis, addiction etc.), because of road traffic accidents and injuries, because of workplace accidents and injuries. It all means that every 20th death is because of alcohol.

That means the product of the alcohol industry is a major risk factor for Non-communicable diseases (NCDs). Both World Bank and World Economic Forum have identified the global epidemic of NCDs as a major threat to global prosperity, and development. In Europe alone, NCDs comprise about 85% of the overall disease burden. NCDs impose a significant economic burden. Just two of the major NCDs, cancer and cardiovascular

disease, cost the EU €85 billion in lost productivity every year.

Independent scientific analysis shows the harmful practices of the alcohol industry, contributing to this amount of harm. Alcohol is no ordinary commodity. And the alcohol industry is not an ordinary business.

Commissioner De Gucht, I invite you to consider the case of Diageo – the largest producer of liquor in the world, based in the United Kingdom. In the late 1990's Diageo was one of the leading producers of “Alco pops”, a type of alcohol that tastes like soda and often contains fruit flavoring. These products were designed to target young people, especially young women to turn them into lifetime consumers.

The introduction of Alco pops was accompanied by aggressive lobbying to regulate these new products as “beer” instead of “liquor” – in order to avoid higher taxation and make use of more favorable rules. Advertising spending went from €20.2 million in 2000 to €142.8 million in 2002. The consequences were positive for Diageo – consumption increased from 400 million liters in 2000 to almost 685 million liters in 2002.

The consequences for public health and economic productivity are disastrous. By 2001, one third of 14- to 16-year olds had tried Alco pops and teenage girls were more likely to express a preference for Alco pops than boys. Society in the United Kingdom, to give you just one concrete example, is now starting to pay the price: It faces a liver disease epidemic, especially among young women. Nationally, there has been a 92% increase for alcoholic liver disease. In England hospital admissions topped one million patients in the last year at an annual cost of around €4.4 billion.

We have brought these facts to the attention of the European Commission and members of your cabinet before. I therefore look forward to a meeting with you in person, in order to deepen the dialogue, listen to your perspectives, present more evidence and to support you and your cabinet in re-evaluating your relation with the alcohol industry and the relation of trade with other policy objectives like improving young people's employability, empowering women and girls, and increasing productivity.

Yours sincerely,



Sven-Olov Carlsson,
International President
IOGT International,
Stockholm, July 9, 2014