

**IOGT International Comment On
Proposed Transatlantic Trade and Investment Agreement**

10.05.2013

IOGT International, the largest worldwide community of non-governmental organizations with the vision and mission to independently enlighten people around the world on a lifestyle free from alcohol and other drugs. Around the world we work on alcohol (and other drugs) policy issues by promoting scientific, evidence-based policies independent of commercial interests. Therefore IOGT International and our members in Europe and the European Union, as well as in the United States of America have closely followed the processes for trade liberalization between the US and the EU.

We are thankful for this opportunity to contribute with our thoughts, know-how and experience on behalf of our members to the work on a Transatlantic Trade and Investment Agreement. IOGT International is aware of the public consultation conducted in the EU, the report published by the High Level Working Group and the fundamental aspirations of both the EU and the US.

In this submission, IOGT International on behalf of our members provides a detailed response to the opportunities and challenges of any EU-US Free Trade deal.

IOGT International comments on the Proposed Transatlantic Trade and Investment Agreement (Document ID USTR-2013-0019-0001)

IOGT International welcomes the opportunity to comment and we are structuring our comments according to the following thematic paragraphs: Child Rights, Public Health and No Ordinary Commodity.

IOGT International welcomes the efforts to liberalize trade and stimulate cooperation and integration between the United States of America and the European Union. We believe that substantial benefits could be achieved by trying to remove the differences in regulatory frameworks, including for instance the harmonization/ mutual recognition of certification, rules and standards, the simplification of customs procedures, the sharing of information between regulatory authorities, the improvement of visa/administrative requirements associated with the movement of qualified persons, etc.

IOGT International and our members around the world in general and on both sides of the Atlantic in particular are aware that such a Free Trade Agreement would be the biggest bilateral trade deal ever negotiated. Any agreement could boost the EU's economic output by 0.5% and the USA's by 0.4% — a highly desirable outcome when the EU and the US are both struggling with slow growth, high unemployment and high levels of debt.

Our approach is that any free trade agreement must serve the Best Interest of our children, must prevent disease, promote health, healthy life years and healthy lifestyle and must succeed in drawing distinctions between goods that are harmful and those that are not.

Therefore statements of the EU Commissioner for Trade Mr. De Gucht alarm IOGT International and our members:

"It's giving a boost to trade, but also to industry and to services," he said. In addition, he said, consumers would benefit from lower, and more uniform, prices. If tariffs are removed, he said, the

price of a bottle of French wine would be roughly the same in the U.S. as it is in Paris.

The EU Trade Commissioner seems to be ignorant of the fact that alcohol is no ordinary commodity and that regulations and control of alcohol are put in place with clear public health and social development objectives. It is IOGT International's firm conviction that any Free Trade deal bridging the Atlantic must respect and protect this kind of approach to harmful goods like alcohol.

Alcohol should therefore remain outside the negotiations. And so called barriers of the nature of non-tariff barriers (NTBs) protecting public health, social development and the social fabric and especially children and young people should remain untouched by any Free Trade deal.

- **Child Rights**

Alcohol is no ordinary commodity. Children on both sides of the Atlantic are all too often victims to alcohol harm: in the USA there are ca. 26 million children of alcoholics. Mothers convicted of child abuse are three times and fathers are ten times more likely to be alcoholics. In the EU there are 9 million children of alcoholics and in 16% of all cases of child abuse and neglect alcohol is involved. In the USA more than 50% of all child abuse reports involve alcohol use.

Those are staggering numbers that no decision-maker can and should ignore.

To protect the rights of children, alcohol use in the US and the EU needs to decrease.

To protect the best interest of children the Convention of the Rights of the Child was put in place and it is IOGT International's conviction that any Free Trade Agreement negotiation between the US and the EU should live up to the provision of the Best Interest Article, Art. 3, CRC:

"In all actions concerning children, whether undertaken by public or private social welfare institutions, courts of law, administrative authorities or legislative bodies, the best interests of the child shall be a primary consideration."

- **Public Health**

The world in general is suffering from a NCDs epidemic. Lifestyle diseases kill people, destroy families and communities, and threaten societies both in terms of public health and in terms of economic productivity and sustainability. It has become clear that many other areas influence health, than the public health sector alone. And the other way around it is today evident that without good public health economic recovery, growth and sustainability will not be possible on both sides of the Atlantic, as in any other place in the world.

a) **Health In All Policies (HIAP)**

The European Union has a legally binding HIAP provision in the Lisbon Treaty: the Treaty makes the well being of people an objective of the EU. Article 9 and Article 168 of the Treaty on the functioning of the European Union puts in place 'horizontal clauses' about health. This means that the European Commission will have to take into account the impact on health in each of its proposal for legislation.

This means that the to-be-launched negotiations on a Free Trade and Investment Agreement between the US and the EU need to respect that and live up to the meaning of the words in the Lisbon Treaty. Alcohol should remain outside the negotiations. IOGT International and our members certainly believe that this standard should apply to the USA, too, and that it is one of the most fundamental standards to be protected in trade negotiations.

b) Non-communicable diseases

The world community will join in the end of May at the 66th World Health Assembly to adopt a Global Action Plan to Control and Prevent NCDs – something that was started by a High-Level UN meeting and decision. The world is suffering from these largely preventable diseases and their four major risk factors, alcohol use among them.

The global economic impact of the five leading NCDs – cardiovascular disease (CVD), chronic respiratory disease, cancer, diabetes and mental ill-health – could total US\$ 47 trillion over the next 20 years, according to a study released by the World Economic Forum. More than 60% of deaths worldwide are due to NCDs, killing 36 million people each year.

The trade agreement between the US and the EU is envisioned to become an agreement of the 21st century, but failing to consider – and act accordingly – the harms caused by alcohol and tobacco use as major risk factors for NCDs would make the US and the EU fall short of the worthy goal. And it would surely catapult back both blocks into the 20th century.

Therefore alcohol should remain outside the negotiations.

c) WHO Global Alcohol Strategy

The WHO Global Alcohol Strategy provides governments with cost-effective and high impact measures to reduce the overall consumption in a society and in doing so achieve health promotion, social development and improving economic productivity. The World Bank supports those measures that can be coined as the “Three Best Buys”: banning alcohol marketing, increasing the prices of alcohol and decreasing the availability of alcohol.

Those measures are thus by no means barriers to trade, but tools to protect children and youth, especially vulnerable people like addicts, families and communities and public health and other societal interests.

The WHO Global Alcohol Strategy also provides the Guiding Principle G in which the right of those people who choose to live free from alcohol shall be respected and protected.

IOGT International and our members therefore strongly express a need for the Free Trade negotiations to be true to those agreements by the global community and to live up to the commonly agreed words.

- **No Ordinary Commodity**

Alcohol use results in more than 2.5 million deaths per year. Alcohol is the socially most harmful drug and alcohol harm holds the economy both in the US and the EU hostage. The tangible costs of alcohol’s social harm amount to €156 billion per year. This number is \$224 billion, or almost \$2 per drink, in the USA.

Alcohol is clearly no ordinary commodity and the US-EU Free Trade Agreement negotiations should make sure and take care that this fact is being properly addressed. If anything alcohol should become regulated more strictly.

a) Economic performance, productivity and sustainability

The economic costs of Intimate Partner Violence in the USA amount to \$12.6 billion and in 55% of all cases perpetrators had used alcohol. It is clear that there are many more examples than gender-based violence, ranging from road traffic accidents, to costs to the health care system, to homicide and crime.

But also alcohol has a negative impact on companies' productivity because of injuries and accidents at work or weaker performance due to alcohol consumption (presenteeism) and because of absence due to alcohol use related conditions, like calling in sick (absenteeism).

b) Young people and employability

Early onset and intoxication predict school dropout, which could often set off a vicious cycle of lack of education, lack of opportunity, bad choices and hazardous behavior.

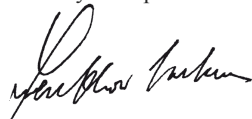
Research evidence also shows that when adolescents stop substance use, academic performance improves.

In a struggling economy with extremely high rates of youth unemployment both the US government and the EU Commission must ensure that young people get the best opportunities and conditions to thrive in as possible. That means that there needs to be less alcohol consumed in both blocks. And thus alcohol should remain as regulated as it is today and possibly be more regulated to decrease consumption.

This will have positive effects on the abilities of young people and it will improve their chances in the labor market.

Any seemingly positive short-term outcome of involving alcohol among ordinary commodities as a part of the agreement will have a tremendously negative impact in the mid- and long-term on both growth and productivity of the countries' economies as well as the sustainability of lifestyles, the skills and abilities of the young people and the protection of especially vulnerable groups.

IOGT International recommends leaving alcohol and for that mattering the global alcohol industry outside the negotiations and for the sake of stimulating economic recovery and economic productivity to implement evidence-based measures of regulating alcohol more, not less.

A handwritten signature in black ink, appearing to read 'Sven-Olov Carlsson', written in a cursive style.

Sven-Olov Carlsson,
International President IOGT International,

Stockholm, 10 May 2013