



# UNHEALTHY TRADES

*The side-effects of the European  
Union's Latin American trade  
agreements*

*Briefing  
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# UNHEALTHY TRADES

## *The side-effects of the European Union's Latin American trade agreements*

### EXECUTIVE SUMMARY

**Trade and public health policy are linked in many ways**, ranging from impacts on healthcare and health services, to combatting disease to government procurement rules and food labelling. This report considers the potential health impacts of the European Union's trade deals with Latin American countries, particularly with Mexico, Mercosur (a regional group including Brazil, Argentina, Uruguay and Paraguay) and Chile.

**Nine areas of trade with potentially crucial impacts on public health have been identified.** Each of these areas has been assigned a score from one to five to indicate the magnitude of the danger to public health, where five is very low risk to public health, and one is very high. The risk levels for the nine topics are as follows:

No.	Area	Risk Level
1	Tobacco	1
2	Unhealthy food	2
3	Alcohol	3
4	Labelling schemes and regulatory cooperation	2
5	Antimicrobial Resistance (AMR) and animal health	3
6	Investment provisions	1
7	Intellectual property rights and access to medicines	1
8	Health impact assessments	1
9	Procurement	4



**The paper indicates that the overall risk level to public health is high on both sides of the Atlantic**, particularly given the way in which health in Latin America has been substantially impacted by previous trade deals with developed countries or regions. Lowered tariffs and increased foreign direct investment could make unhealthy commodities (including foods high in fat, salt and sugar, processed meat and alcohol and tobacco) more widely accessible, while weak wording on procurement rules and labelling requirements could give commercial actors another route to challenge measures designed to protect health, such as Chile's nutrition labelling scheme. The very fact that the European Commission has explicitly targeted increased trade of tobacco in the EU-Mercosur deal poses significant risks for health. The EU's push to fast-track meat imports also presents a significant risk to health, via potential food safety crises and the accelerated spread of AMR.

**The EU's favoured investment measures privilege private investors, giving them powerful tools to threaten and undermine efforts to improve public health.** The level of risk for affordable access to medicines is very high, as over-stringent intellectual property rights rules could threaten access to medicines for patients, particularly in Latin American countries.

**Weak support for the precautionary principle**, where actions are taken to avoid harm in the face of new or emerging risks, and the inclusion of a more risk-based approach undermines the tenet of putting public health first. Meanwhile, health has not been adequately considered in the impact assessment process ahead of the EU taking its position for trade negotiations. Rather the sustainability impact assessments are being undertaken only once negotiations are well underway, so appear not to be taken into account in formulation of positions or priorities, resulting in very high risks for health.

**It is clear that the EU has explicitly subordinated public health issues to trade and growth in these negotiations: the overall risk from the deals is high.** In their current state, the EU's deals with Mercosur, Mexico and Chile pose substantial threats to health for consumers and patients in both Europe and Latin America, and fall far short of contributing to the EU's fulfilment of the UN Sustainable Development Goals. Even more worryingly, this set of new generation EU trade deals is widely expected to set a precedent for future negotiations with other regions worldwide. So it is essential to get the EU's priorities right now, for the sake of global public health.

**As such it is crucial that attempts to mainstream public health are strengthened to ensure trade can work to promote, not undermine health.** To this end, the European Commission's Trade and Health Directorates should jointly implement, in a transparent manner, an immediate, systematic, health-focused impact assessment to identify corrective measures to mitigate these serious health risks, as follows:

1. In the texts (reforming the text of agreements as part of the ongoing negotiation process)
2. In legislation both at EU and national level.



## Glossary of terms

**AMR** – Antimicrobial Resistance, when microorganisms such as bacteria, viruses, fungi and parasites become resistant to the medications used to cure the infections they cause, rendering the treatment ineffective. (WHO, 2017a)

**CAFTA** – Central American Free Trade Agreement, the trade deal between the USA and Central American countries, Guatemala, El Salvador, Honduras, Costa Rica, Nicaragua and the Dominican Republic.

**CETA** – Comprehensive Economic and Trade Agreement, the EU's trade and investment agreement with Canada.

**DALYs** - Disability Adjusted Life Years, the number of years lost due to ill-health, disability or early death. (WHO, 2018)

**EU** - European Union.

**FTA** – A Free Trade Agreement.

**GI** - Geographical Indications, a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin. (European Commission, 2013a)

**HFSS** - High in Fat, Sugar or Salt.

**IPR** - Intellectual Property Rights.

**MERCOSUR** - *Mercado Común del Sur*, is a regional trade bloc founded by Argentina, Brazil, Paraguay and Uruguay. Venezuela has been a member since 2012 and is an observer in the trade negotiations with the EU

**NAFTA** – the North American Free Trade Agreement, signed between the USA, Canada and Mexico.

**SDGs** – the United Nations Sustainable Development Goals.

**SIA** – Sustainability Impact Assessment.

**SPCs** - Supplementary Protection Certificates, an intellectual property right that serve as an extension to a patent, applying to specific pharmaceutical and plant protection products. (European Commission, 2018)

**SPS** – Sanitary and Phytosanitary Measures, a trade agreement chapter covering measures to protect humans, animals and plants from diseases, pests or contaminants. (WTO, 2018a)

**TBT** – Technical barriers to trade, a trade agreement chapter covering a wide range of regulations, standards and assessment procedures to ensure they are non-discriminatory and do not create unnecessary barriers to trade. (WTO 2018b)

**TRIPS** – Trade Related Aspects of Intellectual Property Rights

**TTIP** – Transatlantic Trade and Investment Partnership, the EU's incomplete trade and investment agreement with the United States.

**WHO** – The World Health Organization.

**WTO** – The World Trade Organization.



## PART I: GENERAL ISSUES

### State of play

The European Union (EU) is currently negotiating several significant trade deals with Latin American countries: a Free Trade Agreement (FTA) with Mercosur, the renegotiation of an agreement with Mexico, and the modernisation of a deal with Chile. These deals are part of the new generation of trade agreements, following the model of the currently frozen Transatlantic Trade and Investment Partnership (TTIP) between the EU and the United States of America. Despite the fact that TTIP has not been adopted, it can be assumed that the European Commission often uses it as a template for its current negotiations. It should not be a surprise therefore that, like TTIP, these three deals could have considerable impacts on health both in the EU and partner countries.

**Public health issues are explicitly subordinated to trade and growth in the Commission's priorities.** There is a substantial body of research (see reference list and bibliography) showing the impacts trade can have on public health, from effects on dietary health and health security via increasing antimicrobial resistance to limiting equitable access to medicines. The impact on environmental health should also not be forgotten (e.g. climate impacts of meat production, deforestation and air pollution).

Health impacts have not been systematically considered in any of the above-mentioned negotiations, or in the impact assessments of the deals. Public health concerns are

being disregarded: the strategic plan of the Directorate General for Health and Food Safety (DG SANTÉ), of the European Commission states that its “*primary objective is to contribute to growth, jobs and investment in the EU [...] creating the right environment for growth and investment in the food and feed sector.*” (European Commission, 2016a, pg 11) “*DG SANTE will measure its contribution to the Commission's impact indicator 3.1 'Share US in total EU FDI stocks' by comparison of data for sectors which are under SANTE policy, namely pharmaceuticals and food.*”, meaning that the Health directorate self-defined success indicator is an increase in US foreign direct investment (FDI) in the EU food and pharmaceutical sectors. The document goes on to make clear why this is at odds with their mandate to protect public health: In SANTE's own words, “*Unfortunately, the data for the food sector is combined with tobacco and beverages and cannot be separated due to confidentiality reasons.*” (European Commission, 2016a, pg27) This means that one of the European Commission's self-defined success indicators for health includes increased foreign investment in the tobacco industry.

On the other side of the Atlantic, the EU's negotiating partners are pioneers in developing a number of public health policy initiatives:

- Mexico's soda tax, (Mexican Government, 2013)
- Uruguay's plain packaging law for tobacco products, (Uruguayan Government, 2009)
- Chile's food labelling requirements, and, (Chilean Government, 2012)
- The joint declaration on Access to Medicines and Public Health signed by the



- Chile as an associate member) (Mercosur Health Ministers, 2017).



## NON-COMMUNICABLE DISEASES (NCDs) AND TRADE

Non-communicable diseases (NCDs), also known as chronic diseases, tend to be of long duration, and are the result of a combination of genetic, physiological, environmental and behavioural factors. The main types of NCDs are cardiovascular diseases (strokes, heart attacks), cancers, chronic respiratory diseases and diabetes. (WHO, 2017b) They represent 86% of mortality and 77% of the disease burden in Europe.

60% of the NCD burden is due to the most common risk factors, notably tobacco, poor diet, alcohol, environmental factors and lack of physical activity. Tobacco is responsible for almost 700,000 deaths every year in the EU (European Commission 2014a); harmful consumption of alcohol is responsible for an annual cost of 1% of GDP in high and middle income countries (OECD, 2015); and over-consumption of certain unhealthy foodstuffs, namely those high in fat, salt and sugar (HFSS) leads to overweight, obesity and a

range of NCDs. Around 7% of national health budgets in the EU are spent on obesity related diseases. (European Commission, 2014b)

**Tobacco, high-energy low-nutrient foodstuffs and alcohol are all widely traded goods, and as such trade deals can impact on NCD-related health,** by making unhealthy products more available, accessible and attractive. New trade agreements which promote health harming products reduce the health policy space for governments to act to regulate to prevent or moderate those risks (through procurement policy, labelling schemes, fiscal measures, food safety rules) or to treat them (through access to medicines policy). Therefore, trade can hamper all aspects of public health from prevention to treatment, including the nine aspects considered in this risk register.

The EU already suffers from a growing burden of NCDs, with an estimated 70-80% of EU healthcare expenditure being spent on tackling chronic diseases. (European Commission, 2013b) Similarly for the Mercosur countries, and Mexico and Chile, unhealthy diet, alcohol and tobacco are among the top five risk factors for disability adjusted life years (DALYs), according to the Global Burden of Disease study (see more details in Annex 1).



Public health in these countries has been significantly impacted by trade deals in the past: after the implementation of the North American Free Trade Agreement (NAFTA), sugar-sweetened beverage consumption shot up in Mexico, and rates of obesity tripled, affecting 20.3% of the population by 2016. (Jacobs and Richtel, 2017) Given the EU’s and all 28 member states’ commitment to the UN Sustainable Development Goals (SDGs), including Goal Three targeting Good Health and Well-Being, Goal Two Zero Hunger, Goal Six Clean Water and Sanitation, Goal 13 Climate Action, and Goal 15 Life on Land. (United Nations, SDGs 2018a-e) Health is therefore both a key outcome and precondition of the SDGs and it is crucial that all EU policy is coherent with protecting and improving global health and well-being.

Annex 1 (on page 29) outlines the current state of the negotiations between the EU and its respective partners, as well as their existing trade relationships. It also includes brief public health profiles, outlining each country’s public health situation.



**RISK SCORING SYSTEM**

In this context, it is **vital to assess the potential health risks contained in the EU’s negotiations with its Latin American partners.** This is the aim of this report, examining the negotiations as a whole to highlight common

trends across the main areas of public health: consumption of unhealthy food, alcohol and tobacco; access to affordable medicines; investment issues and health sustainability.

**Each of the nine areas has been assigned a score from one to five** to indicate the magnitude of the danger with potential risks to public health. The scores are assigned based on the various sources for this study, including draft negotiating texts for the deals, and EPHA’s previous assessment-based analyses of the impacts of international trade on public health.

The scoring criteria are as follows:

1. **VERY HIGH RISK:** public health measures and goals in this area would be faced with major obstacles, and could be significantly undermined, or prevented entirely by the agreements
2. **HIGH RISK:** public health measures and goals in this area would be faced with considerable obstacles, and could be undermined, or jeopardised by the agreements
3. **MEDIUM RISK:** public health measures and goals in this



area would be faced with some obstacles, and could be undermined in some aspects.

4. LOW RISK: public health measures would face minor obstacles, and be negligibly affected

5. VERY LOW RISK: public health measures would face few or no obstacles, and be largely unaffected.

## Trade and diets

Globalisation and trade investment liberalisation can have significant impacts on national or regional population-level dietary patterns. A “nutrition transition” has been observed in many low and middle-income countries as they negotiate and agree liberalising trade and investment deals, expanding economic globalisation. The nutrition transition can be defined as “*shifting food preferences from traditional diets characterised by low salt, saturated fat, and glycaemic indexes to less healthy, complex western diets that lead to obesity and associated NCDs.*” (Popkin, 1997) This relationship is of course a complex one, as many factors are involved in forming a country’s dietary patterns and the resulting health impacts. Economic globalisation is only one of these factors, while social and political forms of globalisation may also have an impact on public health in ways entirely separate from trade. For example, the spread of “western-

type” more sedentary ways of working may impact on population health due to reduced physical activity. The impacts of economic globalisation (such as liberalising trade and investment) on the spread of NCDs may also be subject to a time-lag as the effects cannot be observed immediately, due to the long-term nature of these shifts in consumption patterns. (Goryakin et al., 2015) However it remains clear that trade and investment deals form part of national food and drink environments, as they play a role in determining what is available, how much, at what price, and how it is marketed.

Focusing on dietary health, three main ways in which trade agreements can affect population-level nutrition and consumption patterns have been observed:

1. increased quantity and reduced price of imports due to tariff reduction,
2. increased foreign direct investment and integrated food supply chains,
3. reduced tax revenues for government spending due to tariff reduction.

This paper will focus on the first two points.

## How trade and investment agreements can affect population-level nutrition and consumption patterns

- Trade and investment agreements can affect the relative price and availability of certain goods (including high-margin products such as processed foods high in fat, sugar and salt, sugar-sweetened beverages and animal products) through the above ways as well as by constraining



## Overview of concluded and ongoing FTAs

	TTIP	Mercosur	India	Japan	Mexico
State of play	Negotiations on hold	Ongoing negotiations	Ongoing negotiations	Ongoing negotiations	Ongoing negotiations
Starting date	06/2013	Suspended in 2004; relaunched in 5/2010	6/2007	11/2012	05/2016
Tentative end date				End of 2017	End of 2017
Next steps	15th round: 10/2016 A joint EU-US Report on progress to date was issued on 17/1/2017 <sup>3</sup>	29th round: 2-6/10/2017 Next round planned for 6-10/11/2017	After summer of 2013, negotiations were stalled. In 01/2016, discussions resumed. No new round scheduled	Agreement in principle announced on 6/7/2017	5th round: 18-30/9/2017. Next round planned for 27/11-1/12/2017
Negotiating mandate	<a href="#">11103/13</a>	Based on 1999 negotiation directives: 9340/99	7013/07	<a href="#">15864/12 ADD 1 REV 2</a>	
Impact assessment	<a href="#">12/03/2013</a>	<a href="#">03/2009</a> ; New IA requested by various MS led by <a href="#">FR</a> . Cumulative IA of ongoing and upcoming FTAs on EU agriculture published on 15/11/2016 <sup>4</sup>	Yes: <a href="#">06/2009</a>	<a href="#">04/2016</a>	<a href="#">12/2015</a>
Main EU offensive and defensive interests (OI/DI)	<b>OI:</b> MA for GP including at state and city level, machinery, motor vehicles, services, PAPs, dairy, pig meat, wines & spirits, GI protection, NTB removal; <b>DI:</b> MA for beef, ethanol, poultry, cereals, pig meat, SPS protection (hormones, GMOs, pesticides).	<b>OI:</b> MA for GP, motor vehicles, machinery, chemicals, pharmaceuticals, financial services, telecommunications, wheat, beverages, tobacco, SPS, animal welfare, RoO, IPR & GI protection; <b>DI:</b> MA for beef, ethanol, sugar, poultry, rice, SPS protection.	<b>OI:</b> MA for GP, services & investment, transport equipment, motor vehicles, raw materials and energy, processed dairy products, poultry, wines & spirits, fisheries, NTB removal, IPR & GI protection; <b>DI:</b> MA for services, cars, textile and clothing, leather, dairy, fruits & vegetables, sugar, generic drugs, labour mobility.	<b>OI:</b> MA for food, feed & processed foods, wines & spirits, tobacco, business & financial services, railroad equipment, SPS, GP, NTB removal, GI protection; <b>DI:</b> MA for motor vehicles, machinery, chemicals, pharmaceuticals, transport equipment.	<b>OI:</b> MA for GP including at sub-federal level, financial & maritime transport services, gas, oil & raw materials, living animals, meat, dairy products, investment, construction, IPR & GI protection, NTB removal, SPS, animal welfare, RoO; <b>DI:</b> MA for living animals, meat, dairy, vegetables, cereals, olive oil, sugar, services.

<sup>3</sup> [http://trade.ec.europa.eu/doclib/docs/2017/january/tradoc\\_155242.pdf](http://trade.ec.europa.eu/doclib/docs/2017/january/tradoc_155242.pdf)

<sup>4</sup> [http://publications.jrc.ec.europa.eu/repository/bitstream/JRC103602/lb-na-28206-en-n\\_full\\_report\\_final.pdf](http://publications.jrc.ec.europa.eu/repository/bitstream/JRC103602/lb-na-28206-en-n_full_report_final.pdf)

*Tariff reductions will be at the core of the EU-Mercosur deal, and beverages, tobacco and pharmaceuticals are among the EU's offensive interests.*

Source: Council of the European Union (2017), Agriculture and Fisheries Council, Note on Trade-related agricultural issues (see reference list)

the policy space available to implement public health protection measures.

- Trade and investment deals aim to reduce costs and barriers to supply, enabling more imports from abroad, or an increase in the capacity for domestic production, based (at least partially) on capital from overseas.
- Increased Foreign Direct Investment (FDI) has been shown to be a significant factor in prompting or accelerating the nutrition transition in countries negotiating with high-income countries or regions. FDI is an investment by an enterprise from one country into an entity or affiliate in another, in which the parent firm owns a substantial,

but not necessarily majority, interest. It can take place equally through direct entry, or investment in existing firms, and may take place at many points in the supply chain, from processing to food service, retail and marketing. Investment is driven by the desire to gain from potentially high returns in developing countries, where the emerging buying power and the potential for growth is often much higher than in established markets. (Hawkes, 2005)

- These deals can also reduce the costs and barriers of the retail and marketing of energy-dense, nutrient-poor foods, on which most food marketing is focused,





*The explicit listing of tobacco as one of the EU's offensive interests in the EU-Mercosur negotiations is one of the most glaring ways in which the European Commission has abandoned its obligation to protect and promote health and well-being.*

creating strong incentives for consumption. (European Heart Network, 2017)

The nutrition transition has already been observed in Mexico (Dewey, 2017), Central America (Thow and Hawkes, 2009), and South American countries including Peru (Baker et al., 2016) following trade agreements with high-income countries. There are concerns that increased liberalisation from additional trade deals, whether the Trans-Pacific Partnership (TPP) (Friel et al. 2013) or the EU bilateral agreements discussed here, will only aggravate this situation.

Tariff reductions will be at the core of the EU-Mercosur deal, and beverages, tobacco and pharmaceuticals are among the EU's offensive interests (the areas in which the EU aims to achieve improved market access to the benefit of European businesses) (Council of the European Union, 2017). One of Mercosur's principal offensive interests is meat and livestock, and the EU is itself on the offensive in this sector in the Mexico deal. Therefore, both the EU and Mercosur are explicitly aiming to increase trade in these products, irrespective of the potential public health impacts.

## PART II - SPECIFIC RISK AREAS

### 1. Tobacco

**The explicit listing of tobacco as one of the EU's offensive interests in the EU-Mercosur negotiations, as well as for Japan, is one of the most glaring ways in which the European Commission has abandoned its treaty obligation to protect and promote health and well-being.** (Council of the EU, 2017) Tobacco

is a product unlike any other addressed here, in that its principal effect is to cause chronic diseases, killing 700,000 people in the EU alone each year. (European Commission, 2014a) Tobacco ranks among the top five risk factors for disability adjusted life years lost in all Mercosur countries, Chile and Mexico, according to the Global Burden of Disease study. As with alcohol, tobacco use is strongly correlated with unhealthy food consumption, suggesting they share underlying risks related to the market and regulatory environment. This indicates that a deal that liberalises trade in health-harming food products, with the related impacts on health, may also have similar impacts on tobacco. (Stuckler et al. 2012) Efforts to reduce the negative impact of tobacco on population health must not be undermined in the push for trade and investment liberalisation.

This includes the risk that the trade deals could enable tobacco companies to use investment protection measures to challenge tobacco control laws. Indeed this has already taken place, for example, in 2010 when Philip Morris International (PMI) launched an investment arbitration lawsuit against Uruguay claiming that the Uruguayan Government's anti-smoking legislation, implemented following advice from the WHO under the binding Framework Convention on Tobacco Control (FCTC), went "*far beyond any legitimate public health goal.*" Despite the fact that the Uruguay-Switzerland Bilateral Investment Treaty (BIT) under which the claim was filed included language designed to exclude legitimate public health measures from the scope of investor protection, the case was not thrown out immediately. The claim



was eventually rejected six years after it was filed, and Uruguay was awarded its legal costs. (Tobacco Free Kids, 2016) However, the issue is not only that investment arbitration measures can challenge actions to protect public health, but also that they can induce “regulatory chill”, discouraging other countries from considering or introducing similar legislation for fear of expensive legal action.

## CONCLUSION AND SCORE

The European Commission’s own strategic planning documents clearly and consciously set a target of increasing foreign direct investment in the tobacco sector (as part of the ‘food’ sector in official FDI statistics), demonstrating that the EU’s current approach lacks policy coherence, undermines the achievement of the Sustainable Development Goals in Europe and overseas, and poses significant risks to public health in both the EU and Latin America.

● **SCORE: 1**

## 2. Unhealthy food

### 2a. *Processed confectionery, snacks etc.*

The foods most affected by liberalisation are those which are still subject to high levels of protection, including high-margin products, such as soft drinks, processed snack foods, meat and dairy. (Thow and Hawkes, 2009) Processed confectionery and snacks are also particularly profitable because of their low production cost, long shelf-life and high retail value, creating incentives for industries to market and sell more of these products.

Increased affordability and accessibility to such products in developing countries’ markets (due to greater market penetration,

and lower prices due to greater availability) will prompt increased consumption and worsening population-level dietary health. Research into the impact of trade liberalisation in Central America has shown that the free trade agreement signed with the United States is likely to have increased availability and lowered the relative prices of processed foods. (Thow and Hawkes, 2009) **Consumption of unhealthy food is therefore likely to increase as a direct result of trade negotiations which increase availability and relative affordability of foods high in saturated fats, transfatty acids, free sugars or salt (i.e. energy dense and nutrient poor foods) (WHO 2016a).**

Despite the resistance of European sugar producers, the EU’s deals with Mercosur and Mexico could in particular result in increased sugar imports into the EU, whether for food or to develop biofuels, as the European Commission seems likely to cede access for Mercosur sugar in return for gains in other areas. (Von der Burchard and Hanke, 2016) This is being encouraged by European sugar users and processors, to enable the production of more confectionery, biscuits and other sugar-sweetened products. Brazil, in particular, is seen as a big opportunity for market expansion. Combined with the removal of the EU sugar quota, it is possible that increased imports could result in lower sugar prices, making it cheaper for manufacturers to include more in their products. Although the World Health Organization (WHO) has argued that price may not directly incentivise sugar use, it certainly is true that low prices do not help to dis-incentivise its use. Many producers are loath to replace sugar with other sweeteners



as sugar is perceived by many as the “gold standard for sweetness” with few ideal substitutes, particularly regarding mouthfeel, texture and bulk. (WHO, 2017c) Therefore a lower sugar price could encourage changes in manufacturing processes or recipes as **when sugar is cheap, the dis-incentive to add it to food products is reduced**, particularly when other dis-incentives such as legislation, public or governmental pressure to reformulate products are weak or even completely absent.

The EU-Mercosur deal could also have a greater impact on isoglucose production in the EU. Isoglucose is made from maize or wheat starch, both of which are produced widely in Mercosur countries, and used as an inexpensive substitute for sugar. Since the abolition of the sugar quotas (isoglucose production in the EU was previously limited to 700,000 tonnes), the European Commission is already predicting that isoglucose production could increase to 2.3 million tonnes by 2025. The EU deal with Mercosur could therefore contribute to the reduction of isoglucose production costs in the EU, stimulating their increased use (Foodwatch and Powershift, 2018).

Although there is no direct link between tariff elimination in trade agreements and food prices, as many other factors affect the final price paid by consumers, it is interesting to note a widespread trend of a marked increase in the price of fruit and vegetables (including in Brazil and Mexico) while prices for processed foods (often energy-dense and nutrient-poor) have either fallen or increased much more slowly. Linked to increasing liberalisation,

this likely plays a part in worsening health outcomes. (Wiggins and Keats, 2015)

## CONCLUSION AND SCORE

There are acute risks that the increasing availability of processed foods and drinks could result in worsening dietary patterns in Mercosur countries, Mexico and Chile, as such high-margin, high-energy, low-nutrient products are likely to be particularly affected by liberalisation. Meanwhile, the Mercosur and Mexico agreements could result in increased EU imports of cane sugar, or increased EU production of the sweetener, isoglucose, again with significant risks for diets. Therefore, the risks for health on both sides of the Atlantic are high.

● **SCORE: 2**

### *2b. Meat and livestock*

Increased EU imports of meat, expected as a result of larger tariff-free offers for beef from Mercosur, could have a knock-on effect on consumption in Europe. Increased consumption of animal products was observed following the implementation of the FTA between Central America and the United States, as the latter, a leading exporter of meat, markedly increased its exports to the region (WHO, 2017c) (Thow and Hawkes, 2009). A fall in supply in Europe has been shown to result in decreased consumption suggesting that increased supply could result in increased consumption. (EC DG Agriculture, 2016) However, imports and exports are not reliable indicators for consumption, so the impact for European consumption and dietary health is unclear. Nevertheless, what is clear is that the average European citizen still eats more meat than





*Commercial interests and some governments have made, and will continue to make, full use of the possibilities to obstruct or delay legislation in the interests of public health. The EU's trade deals should not strengthen their hand.*

recommended (WHO, 2015) and that, in order to boost dietary health, it is important to reduce meat consumption, particularly processed and red meat which are classed as carcinogenic and probably carcinogenic respectively by the International Agency for Research on Cancer (2015). Trade deals which increase incentives to produce meat, are therefore at odds with dietary health objectives.

An EU-Mercosur Agreement, and updated agreements with Mexico and Chile would also significantly increase the global trade in animal products, (Joint Research Centre, 2016) encouraging production of more animals in countries where production costs are lower. (Caro et al., 2014) Industrial meat production contributes significantly to environmental health issues through ammonia and methane emissions in turn which contribute to air pollution and climate change, while the overuse of antibiotics leads to antimicrobial resistance (AMR). (WHO, 2011) Increased trade of meat and dairy products would most likely exacerbate many of these environmental and health impacts.

### CONCLUSION AND SCORE

The average European citizen eats more meat than recommended, and these deals threaten to exacerbate that trend, by increasing the incentive to produce meat. The impacts on environmental health from increased animal farming in Latin American countries – particularly affecting Latin America due to increased air pollution, and entailing further-reaching health impacts via climate change and AMR – are hard to quantify, but should not be underestimated.

Therefore, the risks for health on both sides of the Atlantic are rated as medium.

● **SCORE: 3**

### 3. Alcohol

Alcohol is a particularly health harming product, and although it is not listed explicitly as an EU offensive interest for the Mercosur negotiations, “beverages” (which allows no differentiation between alcoholic and non-alcoholic beverages or of sugar-sweetened beverages) are included. (Council of the EU, 2017) Further, the EU’s push to expand its system of Geographical Indications (GIs) (included as an offensive interest in Mercosur countries and Mexico, as well as in most other active FTA negotiations) will expand the market for a number of specific protected alcoholic products - 270 spirit drinks alone are listed on the EU website as protected. (European Commission, 2011) Issues related to labelling (see below) may also have an impact on alcohol.

It is true that countries are able to implement behind-the border measures such as excise duties on tobacco and alcohol in order to serve public health in a manner which is less discriminatory to imports. However, in order to be truly coherent with the goal of minimising alcohol harm, trade deals must not only leave space for behind-the-border public health measures, but also avoid explicitly promoting the increased trade (and therefore consumption) of alcoholic goods in its trade deals. Alcohol ranks among the top five risk factors for disability adjusted life years lost in all the Mercosur countries, as well as in Chile and Mexico, according to the Global Burden



of Disease study (2016). Therefore to avoid significant health risks it is crucial that the EU does not promote alcoholic products in its trade policy (including e.g. promotion under the Common Agricultural Policy) and ensures crucial measures to protect public health can be retained and strengthened.

### CONCLUSION AND SCORE

Alcohol is already one of the major risk factors for DALYs lost both in the EU and partner countries. Therefore, the potential for increased trade of alcoholic products through reduced tariffs, and their particular promotion through the GI system, poses a medium risk to health.

● **SCORE: 3**

#### 4. Labelling and regulatory cooperation

The language proposed by the EU for all three deals could pose risks to health-related labelling schemes on both sides of the Atlantic. The objective of the draft chapters on Technical Barriers to Trade (TBT) for Mexico, Chile and Mercosur is to “*identify, prevent and eliminate technical barriers to trade [... including] standards, technical regulations and conformity assessments*”. The EU proposal for an article on marking and labelling also seems to limit what can be required by a country, stating that only information “*relevant for consumers or users of the product... or to indicate the product’s conformity with the mandatory technical requirements*” should be required. (EU-Mercosur, 2017b) It further states that non-permanent or detachable labels may be permitted if the objectives of the TBT chapter are not compromised.

The EU’s approach echoes the US’ attempt to target food labelling in the NAFTA renegotiation. (Ahmed, Richtel and Jacobs, 2018) Although the EU’s proposals are less explicit, they could threaten important health-related certification or labelling schemes providing information on nutritional content, based on the interpretation of “*information relevant to consumers*”. The food and drink lobby is certainly claiming that health and nutrition information is not “relevant” for consumers, pushing the US to include provisions to prevent any warning symbol, shape or colour that “*inappropriately denotes that a hazard exists from consumption of the food or nonalcoholic beverages.*” (Ahmed, Richtel and Jacobs, 2018), and would make use of the vague measures proposed by the EU to argue against public health-promoting labelling.

Public health labels in the EU and Latin American partner countries are therefore under threat. Chile’s labelling scheme, which requires all foods above certain levels of salt, fat or sugar to include a black stop sign label indicating the



Chile’s labelling scheme.  
Image source: SoyChile.cl



product is “high in x” (World Cancer Research Fund International, 2017), is routinely identified by the US as a foreign trade barrier (US Trade Representative, 2018) Equally, France has recently implemented the Nutriscore labelling scheme, and the language of the TBT chapter could enable these to be challenged as barriers to trade, undermining efforts to protect public health. The passage of Chile’s food law, including the labelling provisions, was raised as a specific trade concern eleven times in three years at the World Trade Organisation, by several countries including the European Union. (WTO TBT Information Management System, 2018) Domestically, it was delayed for almost a decade by corporate interests, and Pepsico have challenged the government in court. (Jacobs, 2018) Commercial interests (and some governments) have made, and will continue to make, full use of the possibilities to obstruct or delay legislation in the interests of public health. The EU’s trade deals should not strengthen their hand.

The draft TBT chapter for the Mercosur Agreement also reveals the proposal for regulatory cooperation on this point, stating that the understandings reached under regulatory cooperation must be “*incorporated into the appropriate legal instrument*” opening the possibility for measures to be weakened or removed. (EU-Mercosur, 2017b) Meanwhile other clauses enable significant private sector participation in decision-making and cooperation on technical standards, which could lead to a standards to protect and promote public health being watered down as a result of the industry concerned and their lobbyists being granted privileged access to

decision-makers and standard-setters.

The draft negotiating texts with Mercosur and Mexico (EU-Mexico, 2017a) also refer to “good regulatory practices”, first introduced in the TTIP negotiations, a form of soft law that tend to promote deregulatory approaches and voices by privileging the elimination of trade barriers over other policy objectives. (De Ville and Siles-Brügge, 2016) The draft Transparency Chapter of the EU-Mercosur Agreement sets the objective as “*promoting a transparent and predictable regulatory environment and efficient procedures for economic operators,*” mandating many opportunities for business interests to influence policy, as well as including a review and appeal article which mandates that each party should establish procedures for “*prompt review and, where warranted, correction of an administrative decision.*” (EU-Mercosur, 2017c) These provisions will slow the decision-making process, provide more avenues for corporate involvement, and discourage governments from introducing legislation in the public interest (regulatory chill).

## CONCLUSION AND SCORE

The weak language proposed by the EU for all three deals limits the possibilities for health-related labelling schemes and gives commercial actors another route to challenge legislation designed to protect health. That negotiating texts propose to increase private sector involvement in these processes only heightens the risk that health-positive measures will be watered down and opposed. The risks for health are therefore high.

● **SCORE: 2**



## 5. AMR and animal health controls

The EU-proposed provisions on animal health in the draft Sanitary and Phyto-sanitary (SPS) chapter aim at fast-tracking the approval of animal products destined for export to the EU. In the context of the JBS scandal in Brazil, where meat companies bribed government officials in order to obtain health certificates for rotten meat (Foodwatch and Powershift, 2018), and the EU banning imports from 20 Brazilian plants (Livingston, 2018), it seems strange that the EU proposes limiting controls to no more than “*a single physical import check.*” (EU-Mercosur, 2017d) This could lead to food safety crises in the EU, and potentially increase the spread of AMR. The EU has included a new chapter on animal welfare and antimicrobial resistance in its deal with Mexico (European Commission, 2018). However the focus is limited to cooperation and exchange of information, and whether or not such a chapter is included, it is vital that the rest of the agreement does not undermine efforts to tackle AMR. At the same time, the EU must tackle AMR in the countries where antibiotics are produced (especially India and China), introducing measures to ensure that waste does not enter the local environment in the same way that the EU already requires testing for medicines safety as a condition for entry to the EU market.

### CONCLUSION AND SCORE

The EU’s push to fast-track meat imports presents a significant risk to health, because of the potential for food safety crises and the accelerated spread of AMR. The EU’s inclusion of ill-defined cooperation measures on AMR is not enough to reduce these risks. The health

risks are therefore medium.

● **SCORE: 3**

## 6. Investment provisions

It remains unclear how the EU’s deals with Mexico, Mercosur and Chile will be structured, as in the recently concluded negotiations with Japan, the European Commission separated the trade elements from the agreement on investment and investment protection, in order to be able to agree the trade agreement as an EU exclusive deal. (European Commission, 2017) The European Commission could choose to continue this approach for upcoming trade deals, or revert to the integrated approach as in the EU-Canada Comprehensive Economic and Trade Agreement (CETA). In either case it is highly likely that the rules regarding investment between the EU and the Mercosur countries, Mexico and Chile will also be substantially overhauled, as increasing access for investment for EU businesses is an EU priority.

One example of the health impacts of FDI occurred in Peru, where a deal signed with the United States removed many barriers to investment and resulted in significant inflows of FDI, corresponding with a 122% increase in soft-drink production in Peru and a considerable, associated, increase in sugar consumption. (Baker et al., 2016) Another study showed that Mexican soft-drink consumption increased immensely after it rapidly opened its markets to foreign investment, following the establishment of the North American Free Trade Agreement (NAFTA) in 1994, reaching 300 litres per capita per year—the highest volume globally – by 2010. This was principally





*In the context of the Sustainable Development Goals, and in line with the EU treaty obligation to ensure a high level of health protection in all EU policy areas, (TFEU, art. 168) it is crucial that health is meaningfully included in all relevant areas of trade policy.*

due to the entry of multinational producers into the market, or the establishment of Mexican subsidiaries. (Stuckler et al. 2012)

Investment protection measures are also a risk, as highlighted above. No text on investment measures in any of the three negotiations have been leaked, but the EU's text under the Investment Court System proposal to preserve policy space to regulate, states that investor protection "*shall not affect the right of the Parties to regulate... through measures necessary to achieve legitimate policy objectives*" (European Commission, 2015) without any criteria regarding what constitutes a "*necessary measure*". But, as illustrated above, the EU has identified tobacco as a priority for the Mercosur negotiations. If the EU uses the same provisions in its agreements with Mexico, Chile, and the Mercosur countries, EU states and their partner countries could be exposed to cases similar to Philip Morris International v Uruguay, regardless of the clause intended to protect the right to regulate.

It is unrealistic to expect that the power of transnational corporations producing health-harming products can be tackled entirely through bilateral trade agreements. However, as long as the opportunities and influence enjoyed by global companies far outstrip their public responsibilities, trade deals that increase their influence and opportunities will pose risks for public health. Currently, the UN Human Rights Council (UNHRC) is negotiating a binding treaty for business in relation to human rights. In order to minimise the threats to health posed by the increased influence of commercial actors, the EU should engage with

and support this process in order to ensure that businesses act responsibly. (UN Human Rights Council, 2017)

## CONCLUSION AND SCORE

Whether as a result of separate investment agreements, or as part of integrated trade and investment deals, increased FDI will have considerable impacts on public health, and exacerbate the nutrition transition. The deals will also hand private investors more tools to threaten and undermine efforts to improve public health. Investment protection measures pose a very high risk for both the EU and its partners, while the health impacts of increased FDI will be felt principally in Latin America.

● **SCORE: 1**

## 7. Intellectual property rights and access to medicines

There are also clear concerns regarding the impact of intellectual property rights (IPR) measures on access to medicines in Mercosur countries, Mexico and Chile. As the World Trade Organisation agreement on Trade Related Aspects Intellectual Property rights (TRIPS) already covers the IP relations between countries that do not have dedicated agreements on IPR and trade, the EU's intention in including chapters on IPR in new and updated trade agreements is to intensify them, requiring more extensive IP protection through TRIPS+ provisions. The EU routinely mentions its support for the World Trade Organization Doha declaration on TRIPS and public health, while suggesting measures that weaken it.

The danger is that additional IP protection, (such as extension of patent protection terms



through such measures as supplementary protection certificates (SPCs) and extended data exclusivity) can significantly impact the affordability of medicines and sustainability of health systems. Nevertheless, negotiating documents leaked in December 2017 (EU-Mercosur, 2017e) show that the EU remains vague on critical points including data exclusivity, enforcement and the use of SPCs. (HAI and EPHA, 2017) The European Commission itself is currently examining the usefulness of SPCs (including a consultation), so it is questionable to continue to push for such approaches in its trade negotiations. (HAI, 2017) If they are included in multiple trade deals, they will be “locked in” as global norms – affecting both EU member states and partner countries - making them harder to reform in the interests of equitable access to medicines at national level. In middle income countries, such as the Mercosur countries, Chile and Mexico, these measures may have a more negative affect on the affordability of medicines for the general population. (Members of the European Parliament, 2017) One impact assessment found that the adoption of the measures proposed by the EU could lead to additional expenditures of almost two billion Brazilian real (or \$640m). (Vieira and Chaves, 2017) In its current state therefore, the EU-Mercosur deal represents a clear threat to equitable access to medicines, and the EU’s proposals for IP chapters with Chile (2018a) and Mexico (2016b) could, if ratified, have similar restrictive effects on access to medicines.

## CONCLUSION AND SCORE

The EU’s drive to export TRIPS+ measures in its trade policy, locking them in as global norms

presents a very high risk for partner countries in Latin America, particularly the Mercosur countries and Chile, as their governments’ initiative to promote access to medicines will be undermined by their deals with the EU.

● **SCORE: 1**

## 8. Health Impact Assessment

There are risks that health will not be adequately integrated into the Trade and Sustainable Development chapters (TSD) included in the deals with Latin American countries. As this paper outlines, the EU’s approach to trade negotiations currently contradicts the Sustainable Development commitments undertaken by all 28 EU member states, including the sub-targets to reduce premature deaths from chronic diseases and to realise universal health coverage for all, for people both in Europe and Latin America. Trade deals which harm public health will also undermine other Sustainable Development Goals as poor health is a barrier to economic development, access to education and employment, and gender equality (as women face disproportionate burden of caring). In the context of the Sustainable Development Goals, and in line with the EU treaty obligation to ensure a high level of health protection in all EU policy areas, (TFEU, art. 168) it is crucial that health is meaningfully included in all relevant areas of trade policy: impact assessment, trade agreements and monitoring and evaluation. Sustainable impact assessments of potential agreements must take a coherent approach to health, covering all aspects including healthcare services, access to medicines, diet-related health and chronic and infectious diseases.



However, the objectives and scope of the EU-Mercosur draft of the TSD chapters refer only to the “*labour and environmental aspects of sustainable development*.” There is no article specifically addressing trade and public health – only health and safety in an occupational context is mentioned. (EU-Mercosur, 2017f) All seventeen SDGs directly or indirectly contribute to health protection and improvement: good health is both an outcome of and precondition for achieving all the SDGs, particularly goals Goal 2: Zero Hunger, Goal 3: Good health and wellbeing, Goal 6: Clean water and sanitation, Goal 15: Life on land. The EU is also party to a number of international commitments, such as the Framework Convention on Tobacco Control (WHO, 2003), Rome declaration on nutrition, (WHO and FAO, 2014) and the Global Strategy to Reduce Harmful Use of Alcohol, (WHO, 2010) which EU trade deals should make reference to in order to ensure policy coherence. Therefore, in order to achieve the SDGs, public health security threats must be considered as a priority in trade negotiations and broader trade and investment policy design.

The leaks of EU-Mercosur documents in December also showed that Mercosur opposes the inclusion of a reference to the precautionary principle. Furthermore, the clause proposed by the EU only refers to precautionary measures taken to prevent environmental degradation (UN Conference on Environment and Development, 1992) despite the fact that in the EU the precautionary principle is in practice applied much more widely, including to health and consumer protection. The EU proposal

for EU-Mercosur therefore doesn't reflect the legal foundation of the precautionary principle enshrined in the Lisbon Treaty, nor the EU's political practices, and risks that decisions will be taken without first ensuring that they are not harmful to human health.

Furthermore, that the precautionary principle has only been included in the TSD chapter is problematic, as TSD chapters are not subject to dispute-settlement, meaning that violations of the provisions cannot lead to sanctions. What's worse is that other (binding) parts of the agreement favour a risk-assessment based model where restrictions must be based on scientific evidence for harm, as opposed to the precautionary principle which allows protective measures if there is scientific uncertainty over the risk. Mercosur has proposed to reinforce the risk-assessment model by stating that “scientific justification” must be provided for any SPS measure. (EU-Mercosur, 2017d) Similar language, favouring the evidentiary approach, is included in the EU-Mexico SPS chapter. (Foodwatch and Powershift, 2018) The attempt to reinforce this model further undermines the precautionary principle, which is key to ensure health is prioritised.

The sustainable impact assessment (SIA) for the EU-Mercosur Agreement has yet to be released, while at the same time EU and Mercosur officials were united in calling for a deal to be agreed before the end of 2017. For Mexico, the impact assessment is only in the inception stage, with publication of the final report not expected until the end of 2018. If the EU and Mexico reached a political agreement on their deal in April 2018. (Blenkinsop, 2018) It



being adequately taken into account in the negotiating process, even if they were to sufficiently cover all relevant aspects of public health.

### CONCLUSION AND SCORE

The EU's failure to include health in its trade and sustainable development chapters, despite health's key role in achieving the SDGs, the weakening of the precautionary principle – crucial for ensuring public health is prioritised – and the irrelevance of the impact assessments in the negotiating processes, all pose very high risks for health, both for the EU and its partners.

● **SCORE: 1**

### 9. Procurement

Leaked EU-Mercosur negotiating documents reveal some worrying proposals regarding government procurement. The provisions contained in the EU's offer to protect procurement programmes are weak, covering only "*measures necessary to protect human, animal or plant life or health.*" (EU-Mercosur, 2017a) The EU's internal market policy prevents EU Member States from favouring local production in their procurement processes, and it seems the EU wants to export this limitation to its trade partners, in order to preserve a "level-playing field". In so doing, the EU's proposal fails to cover more specific criteria, such as linking public procurement to supporting the purchase of seasonal or organic food or healthy diets. Several Mercosur countries have implemented such rules in their purchasing for school or public canteens. For instance, Brazil's procurement ordinance (no.1.274 of 7 July 2016) for any food

served or sold for purchase in the Ministry of Health requires at least one seasonal fruit to be offered, while sugar-sweetened juice, soft drinks or sweets cannot be sold, and ultra-processed foods may only be served in exceptional cases. The proposed procurement rules in the EU-Mercosur deal could lead to challenges to such schemes, and would certainly make it difficult for other agencies to follow the health ministry's example.

The EU's proposal for a public procurement chapter in the deals with Mexico and Chile, meanwhile, only include reference to allowing "*environmental, social and labour considerations*" to be taken into account in procurement procedures, if "*they are linked to the subject-matter of the contract.*" (EU-Mexico, 2016a) This wording seems unlikely to be strong enough to prevent challenges to dietary health-promoting criteria for public procurement.

### CONCLUSION AND SCORE

Negotiating documents for all three deals contain vague or weak language which is insufficient to protect, or may even undermine, health-promoting procurement practices, impacting on population-level dietary health, and the food environment. The risks for health are therefore low.

● **SCORE: 4**

## PART III: CONCLUSION

This risk register shows that the EU's new wave of trade and investment agreements with Latin American countries pose multiple risks



to public health on both sides of the Atlantic. These are, as follows:

- a very high risk from tobacco-related ill-health, as the European Commission explicitly targets increased trade of tobacco,
- a very high risk that investment measures will be used to prevent or weaken public health promoting regulations and actions,
- a very high risk that more stringent intellectual property measures will interfere with access to medicines in Latin American countries leading to rising prices and threatening the sustainability of public health systems,
- a very high risk for health from the elevation of the risk-based approach, and undermining of the precautionary principle due to insufficient inclusion, along with a failure to sufficiently integrate health in the process of assessing, negotiating, monitoring and evaluating the trade deals,
- a high risk to public health related to HFSS foods, through lowered tariffs and increased foreign direct investment, and from processed meat and red meat via increased trade and environmental health impacts,
- a high risk to labelling schemes intended to protect public health, such as Chile's black labels or Nutriscore in France, and regulatory cooperation on this point granting private interests considerable influence,

- a medium level risk of food safety scandals and the spread of AMR due to insufficient export checks on meat,
- a medium-level risk for increased alcohol harm, via the EU's expansion of geographical indications and prioritisation of trade and growth over public health,
- a low-level risk that weak wording on procurement could threaten efforts to promote healthier dietary choices, and give commercial interests more opportunities to challenge such initiatives.

It is clear that the EU has explicitly subordinated public health issues to trade and growth in these negotiations: **the overall risk from the deals is high.** In their current state, the EU's deals with the Mercosur countries, Mexico and Chile pose substantial threats to health, both in the EU and in its partner countries, and directly undermine the EU's fulfilment of the Sustainable Development Goals. As such it is crucial that attempts to mainstream public health are strengthened to ensure trade can work to promote, not undermine health. To this end, the European Commission Directorates-General for Trade and Health should jointly implement a systematic and transparent, health-focussed impact assessment aiming to identify corrective measures to mitigate the serious, negative health risk:

1. to the texts (reforming the text of agreements as part of the ongoing negotiation process)
2. and in legislation both at EU and national level. •





*The EU's deals with Mercosur, Mexico and Chile pose substantial threats to health [...] and directly undermine the EU's fulfilment of the Sustainable Development Goals. As such it is crucial that attempts to mainstream public health are strengthened to ensure trade can work to promote, not undermine health.*

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## ANNEX 1

### EU health profile

- Data from 2014 shows that the average obesity rate for men is 15.6% (with the highest at 27.2% and lowest at 8.7%) and for women at 15.3% (with a high of 23.9% and low of 9.7%). (Eurostat, 2014)
- Tobacco, high blood pressure (from cardiovascular diseases), dietary risks, alcohol & drug use and high body mass index make up the top 5 risk factors for Western, Eastern and Central Europe (in varying orders). These regions included non-EU Member States (GBD, 2016)
- France implemented the “Nutriscore” labelling system in 2017. Nutriscore uses a nutrient profiling system to classify food and drink into five categories of nutritional quality.
- Hungary has implemented a Public Health product tax, applied to the salt, sugar and caffeine content of various ready-to-eat foods, including soft drinks and prep-packaged sugar-sweetened products.
- The EU common agricultural policy includes the EU School fruit scheme (in which all EU member states but Sweden and the United Kingdom participate) to distribute fruit and vegetables in schools along with accompanying education measures on nutrition.

### Mercosur

#### EU- Mercosur State of play

- At the time of publication, no agreement had been reached, despite both parties insisting a political accord would be reached before the end of 2017. Negotiations have been running on and off since 2000, and were relaunched in 2010.
- Current sticking points are the EU’s offers for tariff-free access for beef and sugar/ethanol, as these are offensive interests for Mercosur, and the EU is under pressure to protect beef farmers and sugar growers.

#### Existing EU-trade and investment relations (DG Trade, 2018a)

- The EU is Mercosur’s first trading partner, accounting for 21% of the bloc’s total trade in 2015.
- Both have increased their exports to the other substantially 2005-2015.
- Three quarters of Mercosur’s exports are primary products, and well over half of these are agricultural products. The most important exports from Mercosur to the EU are soybeans and soybean meal. (Foodwatch and Powershift, 2018)



- The EU mainly exports machinery, chemicals and pharmaceuticals and services.

### Argentina health profile

- Statistics from 2016 show 23.6% and 29.4% of men and women respectively are obese. (WHO, 2016b)
- Dietary risks represent the second biggest risk factor for disability adjusted life years lost (DALYs), followed by tobacco, high body mass index and alcohol and drug use. (GBD, 2016)
- Argentina has placed a limit on the amount of salt permitted in meat products, and derivatives, bread, soups, seasoning and tinned foods. Producers who do not meet the limits will be fined, and the business potentially closed for up to 5 years.

### Brazil health policy profile

- Statistics from 2016 show 17.2% men and 22.9% women in Brazil are obese. (WHO, 2016c)
- The top five risk factors for DALYs in Brazil are Alcohol & Drug use, high blood pressure (caused largely by cardiovascular disease and diabetes), high body mass index, dietary risks and tobacco. (GBD, 2016)
- Brazil implemented strong anti-tobacco measures in the late 1990s, before the Framework Convention on tobacco control was ratified, including banning smoking in public places, and increasing the price of cigarettes.

### Paraguay health policy profile

- Statistics from 2016 show 12.2% of men and 18% of women in Paraguay are obese (WHO, 2016d)
- High blood pressure (caused by cardiovascular disease and diabetes), high body mass index, dietary risks and alcohol & drug use are all in the top 5 risk factors for DALYs. (GBD, 2016)
- Paraguay has enacted a mandatory reduction of 25% salt content in flour used in bread.

### Uruguay health policy profile

- Statistics from 2016 show that 22.99% of men and 31.9% of women in Uruguay are obese. (WHO, 2016e)
- Tobacco tops the pile for DALY risk factors, followed by high blood pressure, dietary risks and high body mass index. (GBD, 2016)
- Uruguay prohibits any kinds of advertising and marketing of food and drinks that don't meet nutrition standards
- Uruguay's anti-tobacco laws ban companies from selling more than one type of cigarette under a single brand name, and require graphic health risk warning must cover at least 80% of the pack.



## EU-Mexico

### State of play

- The EU and Mexico signed a “Global Agreement” in 1997, including a trade pillar, which is currently being modernised to bring it into line with more recent deals, especially regarding non-tariff barriers, intellectual property rights and trade and sustainable development. (LSE Enterprise, 2017)
- The EU and Mexico reached a political agreement on their deal in April 2018. (Blenkinsop, 2018)

### Existing EU-trade relations

- The EU is Mexico’s third-largest global trade partner, representing 10.1% of Mexico’s international trade in 2016.
- The EU’s key imports from Mexico are fuels and mining products, office and telecommunication equipment, transport equipment, and other machinery. Key EU exports to Mexico include machinery, chemical products, fuels and mining products. (DG Trade, 2018b)

### Mexico health policy profile

- Statistics from 2016 show 22.1% of men and 32.7% of women in Mexico are obese. (WHO, 2016f)
- High body mass index ranks as the second risk factor in Mexico, followed by alcohol & drug use, high blood pressure, and dietary risks. (GBD, 2016)
- Mexico has one of the highest profile “soda taxes” globally. An excise of 1 peso (or \$0.05) is applied per litre to sugary drinks, with the revenue being allocated to funding programmes against malnutrition, obesity and related chronic diseases. A duty of 8% applies to food with high caloric value, covering savoury snacks, confectionery, chocolate, puddings and spreads. (WCRF, 2017b)
- Mexico also applies a watershed to TV advertising, whereby foods (potato chips, chocolate and confectionary) and sweetened beverages above certain limits (as defined by the nutrient profiling model) may not be shown between 2.30 and 7.30pm on weekdays, or 7am-7.30pm at weekends. (WCRF, 2017c)

## EU-Chile

### State of play

- The EU and Chile signed an Association Agreement in 2002, which included a comprehensive Free Trade Agreement.
- The two have recently begun modernising the existing FTA, holding the second round of talks in January 2018, to ensure it addresses all relevant aspects of the trade and investment relationship.



**Existing EU-trade relations**

- The EU is Chile's second trade partner, comprising 14.9% of Chile's trade in 2016.
- EU imports from Chile are dominated by food and live animals, crude materials and manufactured goods. EU exports to Chile are mainly machinery, chemical products and manufactured goods. (DG Trade, 2018c)

**Chile health policy profile**

- Statistics from 2016 show 23.7% of men and 33.1% of women in Chile are obese. (WHO 2016g)
- High body mass index, dietary risks, high blood pressure, alcohol & drug use, followed by tobacco, make up the top 5 risk factors for DALYs in Chile.
- Chile's food law of 2015, applied an 18% tax to sugary drinks containing more than 6.25g of sugar per 100ml, along with marketing restrictions, mandatory packaging redesigns and labelling rules.
- Chile's mandatory labelling scheme for products high in fat, salt or sugar means that products over certain limits must bear a black symbol reading "High in x"
- Foods in the "high in" category are subject to marketing restrictions when advertising towards children. They are not allowed to advertise when the audience is greater than 20% children, ore before or after these programmes. From 2019, such ads will not be shown between 6am and 10pm.(Jacobs, 2018)





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