

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Seventh Delegated Legislation Committee

DRAFT ALCOHOLIC BEVERAGES (AMENDMENT)
(ENGLAND) REGULATIONS 2023

Wednesday 8 February 2023

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Sunday 12 February 2023

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The Committee consisted of the following Members:

Chair: MRS SHERYLL MURRAY

† Burgon, Richard (*Leeds East*) (Lab)
 † Glindon, Mary (*North Tyneside*) (Lab)
 † Higginbotham, Antony (*Burnley*) (Con)
 † Hudson, Dr Neil (*Penrith and The Border*) (Con)
 † Jones, Fay (*Brecon and Radnorshire*) (Con)
 † Long Bailey, Rebecca (*Salford and Eccles*) (Lab)
 † Lopresti, Jack (*Filton and Bradley Stoke*) (Con)
 † Nichols, Charlotte (*Warrington North*) (Lab)
 † Pawsey, Mark (*Rugby*) (Con)
 Percy, Andrew (*Brigg and Goole*) (Con)
 † Russell, Dean (*Watford*) (Con)

† Smith, Chloe (*Norwich North*) (Con)
 † Spencer, Mark (*Minister for Food, Farming and Fisheries*)
 † Sturdy, Julian (*York Outer*) (Con)
 Vaz, Valerie (*Walsall South*) (Lab)
 † Whittome, Nadia (*Nottingham East*) (Lab)
 † Zeichner, Daniel (*Cambridge*) (Lab)

George James, Aaron Kulakiewicz, *Committee Clerks*

† **attended the Committee**

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Wednesday 8 February 2023

[MRS SHERYLL MURRAY *in the Chair*]

Draft Alcoholic Beverages (Amendment) (England) Regulations 2023

2.30 pm

The Minister for Food, Farming and Fisheries (Mark Spencer): I beg to move,

That the Committee has considered the draft Alcoholic Beverages (Amendment) (England) Regulations 2023.

It is a pleasure to serve under your chairmanship, Mrs Murray. These draft regulations were laid before the House on 12 January. We are embracing the opportunities of the free trade agreements we are pursuing and striking new trade deals on our own terms. The Government are a firm supporter of international trade and the benefits it can bring to our nation. As such, I am delighted that my Department can deliver an essential strand to bringing the free trade agreement with New Zealand into force through the changes being made with this legislation. Without it, the New Zealand free trade agreement will not be ratified. More broadly, this free trade agreement will, among other things, boost business with New Zealand by 60%, bring a further £800 million into the UK economy, cut red tape for business and ensure tariff-free access to the New Zealand market for British goods.

The changes set out in this instrument will bring some welcome flexibilities to how wine and alcoholic beverages can be produced and labelled. However, I would like to emphasise that although it introduces flexibilities, it will not force a change in the labelling practices currently being used by producers and traders, who may continue to label and market as they do today.

This instrument will make three changes to retained EU law. First, it will allow any wine product to show alcoholic strength to one decimal place—for example, 12.2% or 12.7%. Currently, it has to be in whole or half units, so it would have to be 12% or 12.5%, and that will remain a possibility for wine marketed here or exported. The concession to label wine to a single decimal place is not new; the possibility has already been extended to Australian wines through our wine trade agreement with Australia.

Secondly, the instrument introduces a change to the rules concerning the labelling of grape varieties for wine marketed in Great Britain. Where more than one grape variety is listed on a wine label, the named varieties must total at least 95% of the content of the wine. Retained EU legislation required it to be 100%. The changes will mean that up to 5% of that content may consist of varieties not shown on the label. This change has a precedent in our legislation: where a wine label displays a single variety of grape, that variety must account for 85% of the content of the wine. The changes proposed in this instrument provide businesses marketing and producing wine containing several grape varieties

with the scope to vary the production of wine to bring an improved consistency and quality. Our domestic wine producers have warmly welcomed the flexibility that this will bring.

Finally, the regulations will allow flexibility in how the terms “alc” or “alcohol” and “vol” or “volume” appear with the numerical alcohol content on all alcoholic beverages. Those terms will now also be allowed to appear together either before or after the numerical alcohol content on the beverage.

Together, these changes will bring flexibility that will facilitate trade between the UK and New Zealand, with the UK importing £216 million-worth of wine in 2021. We think the changes will be especially helpful to smaller producers in both countries, who might wish to exploit a niche for their product in that market but where the size of the order would mean that a full label change was not economically viable.

I would like to stress again that these changes will be optional. We anticipate that many in the industry with established markets in Northern Ireland and/or the European Union will continue to label and market wine as they currently do. Our wine industry and producers firmly support the changes set out in this instrument and welcome the flexibility it provides. I hope I have said enough to assure the Committee that the instrument represents just one small change, and I trust that the Committee will support it.

2.34 pm

Daniel Zeichner (Cambridge) (Lab): It is a pleasure to serve with you in the Chair, Mrs Murray. The Minister will be delighted to hear that we will not be proceeding to a Division today as this seems a relatively straightforward piece of legislation. I noted his eulogising of the New Zealand trade deal. I wonder whether he agrees with his eminent predecessor, the right hon. Member for Camborne and Redruth (George Eustice), who thought we gave away too much.

This instrument will accommodate the terms set out in annex 7A of the UK-New Zealand free trade agreement. Principally, it will reduce the threshold at which labelling the different varieties of grapes is required from 100% to 95%. It will also allow the term “alc/vol” to be used after the alcohol figure, and for alcoholic strength, as indicated by percentage alcohol by volume, to be labelled to one decimal point.

I am very grateful to the Wine and Spirit Trade Association for its help. It tells me that those amendments will allow producers to make minor changes to the composition of a blended wine without the need for relabelling, which is clearly helpful, and that the 0.1 decimal place is in line with many other wine-making countries. That is good for producers, because they will not have to alter their label for the UK market. While this will offer flexibility to producers looking to sell into the GB market, as the Minister has said, many may decide not to exercise the option if they export into both Great Britain and the European Union.

These divergences from the EU, particularly on the listing of grape variety, introduce different standards from those of our European neighbours. Admittedly, they are minor, but they are still different, as the European Union requires that 100% of the grape varieties are listed. Here we have an example of minor divergence,

but as the Minister has said, it is likely that many in practice will continue to comply with rules set by the EU. At this point I expect Government Members to start to bridle at my comments, but just so that we can understand the significance of the changes, could the Minister tell us what proportion of wine coming into this country is likely to be affected by the changes introduced by this statutory instrument? Presumably some analysis has been done. I think he has already indicated that it is likely to be minor, but before this is trumpeted as a huge Brexit opportunity, it would be good to know the scale.

As we are on the topic of the labelling for alcoholic beverages, I would like to take the opportunity to ask the Minister about labelling requirements next year. I am told by the industry that the changes made in this SI are not actually the biggest concern at the moment—rather what will happen at the end of the year when wine and alcohol labels will be required to include a UK-based vendor or importer address. Currently we accept an EU address on labels and that is helpful because it allows non-UK and EU importers to maintain one label. It also allows for smaller producers from the EU to have the same back label, thus preventing increased costs for them and the consumer.

The concern is that this additional non-trade barrier to access the UK market will result in additional costs for consumers—and less wine for us, possibly—and some producers, particularly smaller ones, may just decide not to import to our market at all. What discussions is the Minister having with the industry about these

concerns, and what solutions are being discussed? Will we get to hear about appropriate changes before the end of the year to ensure that businesses have enough time to comply with any new rules?

2.38 pm

Mark Spencer: I am grateful to the hon. Gentleman for his comments and support for this SI. I can assure him that we remain constantly in contact with the industry to ensure we are offering the flexibility it requires. I think this is a good example of where we can not only help New Zealand wine producers to import to the UK but give UK wine producers the flexibility to export to and exploit other markets around the world. That is a good thing.

The hon. Gentleman hinted at the fact that it is a Brexit benefit, and I think we should very much embrace that. We will not know the scale of the imports that this flexibility will bring until those who are producing take advantage of the opportunities. I sincerely hope they will take those opportunities. It is fair to say that the flexibility very much helps smaller producers more than larger ones. They are very minor changes. It could be that the hon. Gentleman will be able to convince his contacts in the European Union to demonstrate the same flexibility as the UK so that they can support their wine producers as well.

Question put and agreed to.

2.39 pm

Committee rose.

