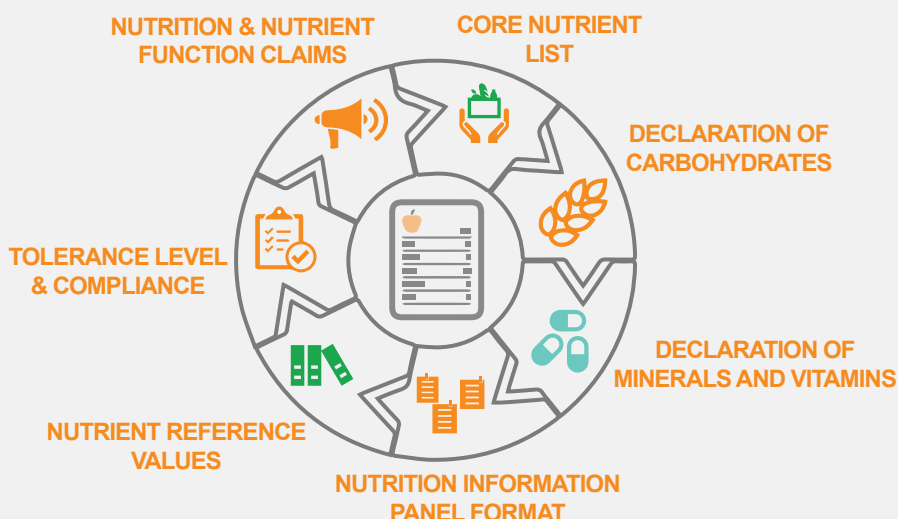


# NUTRITION LABELLING ON PREPACKAGED FOOD (PPF) & ITS IMPACT ON TRADE IN ASEAN

## PREPACKAGED FOOD SECTOR SHOWS STRONG GROWTH POTENTIAL BUT HIGHLY REGULATED

### 7 ELEMENTS OF NUTRITION LABELLING FOR HARMONISATION



**NUTRITION CLAIMS (INCLUDING FUNCTION CLAIMS), FOLLOWED BY NRVs,** appear to be the major problems for exporters as these elements were cited as more complex than the Codex guidelines.



**INTRA-REGIONAL ASEAN EXPORTS** of food products have grown from US\$4,247 million in 2000 to US\$23,988 million in 2015.

**49.5%** of the total food exports in ASEAN in 2015 was contributed by PPF. *Source: UN COMTRADE*



On average, derived **TRADE EFFICIENCY** for the PPF sector based on the Stochastic Frontier Analysis is somewhat low at 0.22. (Efficiency score ranges from zero to unity. Scores nearing unity indicate higher efficiency.)



**42.75%** OF THE TOTAL **NON-TARIFF MEASURES (NTMs)** in ASEAN is from the PPF sector. *Source: ERIA-UNCTAD, 2016*

### VARIANCES IN NUTRITION LABELLING REGULATIONS



**CORE NUTRIENT LIST** – Core nutrients to be declared on nutrition information panel (NIP) range from **4** (Malaysia) to **10** (the Philippines).



**REFERENCE UNIT** – Variation in the adoption of reference unit on NIP, such as per 100g/per 100ml, per serving size, percentage of nutrient reference values (NRVs)/ recommended daily intake (RDI)/ recommended energy and nutrient intake (RENI); some countries require more than one reference unit.



**NUTRIENT REFERENCE VALUES** – Different NRVs result in differences in values declared on NIP.

Example: Declaration on NIP for a product that contains 10g of protein:

Country	NRV/RENI/RDI	Declaration on NIP
Malaysia	50g (NRV)	20%
Philippines	67g* (RENI)	14.9%
Thailand	50g (RDI)	20%

\*values here are for males ages 19 - 29



Approximately **20.08%** OF THE **TECHNICAL BARRIER TO TRADE REGULATIONS** in the PPF sector comes from labelling. *Source: ERIA-UNCTAD, 2016*



### UNEXHAUSTED TRADE POTENTIALS

are evident in the region's PPF trade, as a result of policy instruments beyond tariffs, such as NTMs.

**ASEAN** should consider revisiting behind-border constraints, such as nutrition labelling to enhance **EFFICIENCY**.



# TRADE IMPACTS ON EXPORTERS OF PREPACKAGED FOOD IN ASEAN

**COMPLIANCE-RELATED COSTS** exist due to the lack of regulatory coherence, especially when new legislation is introduced or when changes are made.



ADMINISTRATIVE



TESTING



RE-LABELLING



NETWORKING



TRANSPORTATION



INVENTORY

**COMPLEX NUTRITION LABELLING** distorts trade, as it increases the price of products and results in market and product losses.

**NUTRITION LABELLING** can become a non-tariff barrier when the complexity of the regulation increases to the point of limiting trade.

## BENEFITS OF NUTRITION LABELLING HARMONISATION



### 1. BUSINESSES

Reduce compliance costs



### 2. ASEAN

Solidify global market position



### 3. CONSUMERS

Achieve better understanding of nutrition information on product labels

## RECOMMENDATIONS

A **SINGLE NUTRITION LABEL STANDARD** is desired but might be impractical for the region. Therefore, priority should be given to move ahead with the harmonisation of guidelines in a strategic manner.

### RECOMMENDED PATHWAY TO ACHIEVE HARMONISATION

**3 STEP APPROACH** to harmonise guidelines and streamline voluntary measures

#### 1. IDENTIFY

and achieve consensus on the minimum requirements within the basic nutrient list of Codex that should be made mandatory.



#### FURTHER STAKEHOLDER ENGAGEMENT

between regulatory authorities, trade ministries and business sectors for greater alignment and compliance.

#### 2. PRIORITISE

the streamlining of NRVs, including values and terms that are used.

#### 3. ADOPT A CONSENSUS

at the regional level.



#### COMMON

list of claims and criteria for claims.



#### COMMON

declaration list of carbohydrates and list of minerals and vitamins.



#### COMMON

tolerance limits, rounding rules and decimal point conditions.



#### STANDARDISED

NIP format and design.

NIP: Nutrition Information Panel

NRV: Nutrient Reference Value

NTM: Non-Tariff Measure

RDI: Recommended Daily Intake

RENI: Recommended Energy and Nutrient Intake

PPF: Prepackaged Food