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What's In a Name? An Issue of Quality

By Robin J. Winkler

Educating people in alcohol consumption is an important issue. Whether it concerns the current government and industry efforts concerning “drunk driving” and informing people about the dangers, consequences and costs of the risks involved in drinking and driving or knowing what it is that consumers are buying—strength, type, etc.—which compliments other efforts currently underway to inform people what exactly they are drinking and encourage responsible drinking.

The last issue of Euroview included an executive summary of the ECCT's position papers—One important point raised in the European alcohol beverage industry could have been overlooked. This point is important for consumers to clearly understand what it is that they are drinking. This issue is Taiwan's commitment to adopt “generic definitions for spirits and wines in line with internationally accepted quality standards” as stated in the July 1998 bilateral trade agreement between Taiwan and the EU. What are “internationally accepted quality definitions”, and what does this have to do with “responsible consumption of beverage alcohol,” the topic of another article in this month's Euroview?

Copycats

Pictured on the opposite page are two products that are known as “look-alikes”, “knockoffs” or “copycats.”

These products are similar in appearance to the trade dress of two famous high-quality whiskies—The relevance to strict definitions of beverage alcohol products, specifically in this case, “whisky”, is that these look-alike products might originate in the Philippines, India, or other countries that have a loose definition of the term “whisky”, or no definition at all. It may therefore be impossible to determine the contents of these products from the name, and unless clear and standard definitions of generic products such as “whisky”, “brandy”, “gin”, “kaoliang (Chinese spirit)” etc., are adopted, consumers and businesses will continue to be deceived. These types of products, and literally hundreds of others have seriously disrupted the whisky market in Taiwan and it was through the agreement with the EU that an industry consensus was reached to resolve this problem through the introduction of appropriate generic definitions of spirits products, including a definition of “whisky” in line with international practice. There are minor differences in the definitions of “whisky” amongst developed countries, but in all such

countries whisky is deemed as being a spirit wholly produced from cereals, distilled at a strength so that the spirit has the taste and aroma of those cereals, which is then matured in wooden casks for a minimum of three (or sometimes two, or even four) years. There are definitions of whisky along these lines in the European Union (incorporating fifteen countries), the USA, Australia, South Africa and many other countries. Also, in all of these countries except the USA, “blended whisky,” is deemed as a product consisting wholly of whisky. For example, “blended Scotch whisky”, which is by far the most widely sold category of whisky worldwide, is a blend of two or more Scotch whiskies.

“Loose” is a Loss

Despite Taiwan's undertaking in the Bilateral Agreement with the EU relating to its accession to the WTO to draw up and implement definitions for spirits and wines in line with internationally accepted quality standards, it has been suggested by some that Taiwan should adopt a “loose” definition of whisky. This would allow sub-standard products described as “whisky” from anywhere in the world to be imported into Taiwan and sold as “whisky”. Naturally, if this were to happen, there would be serious consequences for Taiwanese consumers, producers of genuine whisky, and for Taiwan's image as a modern society that promotes the responsible use of alcohol. All those who wish to purchase “whisky” will expect to receive the same quality of product that has built up the reputation of whisky. If they are sold anything different, they are being cheated. This will particularly be the case if consumers are sold a product that contains no genuine whisky, or only a small amount, with the rest of the product consisting of neutral alcohol, perhaps distilled from molasses or grapes, and possibly flavorings.

Any such confusion will also be detrimental to those producers of whisky who have built up the reputation for the product, which has in turn resulted in the international demand for whisky. This reputation was not easily achieved. It has resulted from the accumulation of expertise over many years, and significant investment in high-quality raw materials, wooden casks for maturation, and requires the tying up of capital for many years while the whisky matures to a product that can be labeled “12 years Old”, “Aged 21 years” etc.

Impediment to Education

From the vantage of responsible consumption, the lack of strict definitions of alcohol products will impede the education of the public and will certainly make it difficult for groups such as the newly formed Taiwan Beverage Alcohol Foundation to achieve many of their objectives.

This issue, i.e., the definition of beverage alcohol products has been at the top of the trade negotiations agenda between Taiwan and Europe for the past several years. Moreover, with Scotch whisky being one of the UK's top exports to Taiwan this issue continues to dominate many of the trade discussions

between Taiwan and UK officials.

Hope is in sight. Taiwan has passed the Tobacco & Alcohol Administration Law, and its implementation as well as the passage and implementation of a sister tax law are expected within the next six months, that is, at or around the time of Taiwan's anticipated accession to the WTO. Taiwan will also adopt Enforcement Rules setting out "the details" for such as definitions of generic products. As Taiwan moves towards consolidating its place in the international economic community, the anomaly of its lack of strict labeling and definitions of beverage alcohol should be corrected.

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