



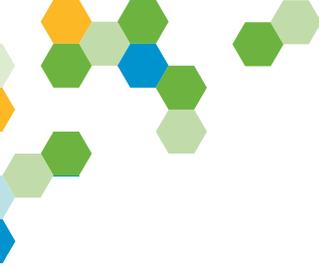
SPECIAL REPORT

# Chile's Law on Food Labelling and Advertising: A Replicable Model for Latin America?

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## I. INTRODUCTION

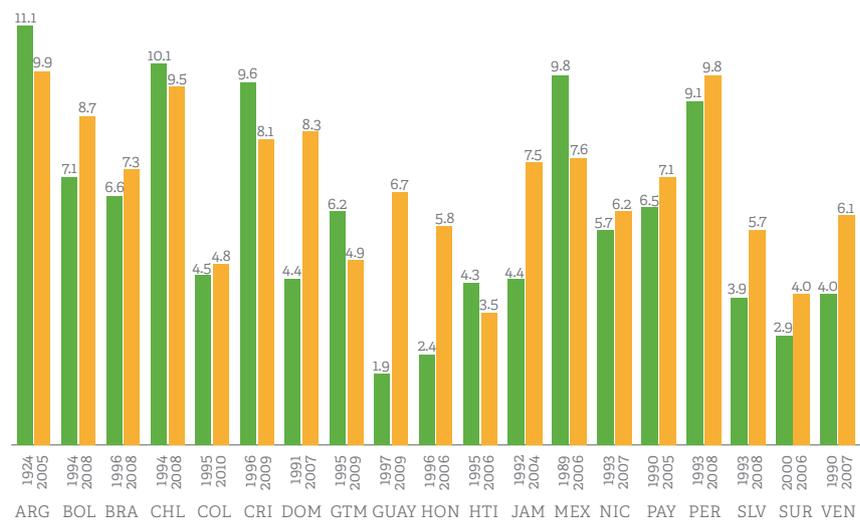
- 1. INTRODUCTION
- 2. THE LAW
- 3. IMPLEMENTATION OF THE LAW
- 4. ARGUMENTS
- 5. INTERNATIONAL OPINION
- 6. TAXES: A GOOD IDEA?
- 7. CONCLUSIONS

AUTHORS

In the last few decades, obesity rates have soared, mainly because of unhealthy habits like sedentary lifestyles and poor diets high in fat and calories. According to the World Health Organisation (WHO), in 2014 39 % of adults were overweight and 13 % were obese. This means obesity has doubled worldwide between 1980 and 2014. This increases the risk of suffering from non-hereditary conditions, such as cardiovascular diseases, diabetes, hypertension, musculoskeletal disorders and some cancers (such as endometrial, breast, and colon).

In this discouraging context, Chile has not fallen behind, and has shown a considerable increase in its population's weight. The country leads alongside Argentina as the countries with the highest rate of overweight and obese citizens. Even more concerning is that, according to the Food and Agriculture Organisation of the United Nations (FAO), Chile also leads in the ranking of child obesity, specifically in children under five. For the past eight years, Chile has recorded 10 % of its child population as overweight.

**Figure 1. Evolution of Obesity in Children Under 5 (%) in Latin America and the Caribbean.**



Source: "Panorama of Food and Nutritional Insecurity in Latin America and the Caribbean" Report, FAO.

**“The main objective of Law 20.606 is to require a special label for Genetically Modified Organisms (GMO)”**

In an attempt to reduce the alarming rates of obesity in the population and especially in children, the Government of Chile enacted the Law of Food Labelling and Advertising (Law 20.606), commonly known as the "Super 8 Law"<sup>1</sup>, which will be implemented 26 June 2016.

Below we will explain the main aspects of this law and the dialogue it has generated among the various concerned parties.

## 2. THE LAW

The main objective of Law 20.606 on the Nutrient Composition of Food and Its Advertising is to require a special label for Genetically Modified Organisms (GMO), considering these to be those that are composed of or contain genetic material that has been modified in a way that does not occur naturally, using genetic engineering techniques. As such, the project affects practically all packaged and sold foods in Chile (both domestic and foreign).

Its main ideas can be summarised in the following points:

- Since the mid-1990s, GM foods have been introduced into the market with force. These have been an important factor in

the increase of the overweight and obese population in Chile, as well as the increase of non-hereditary conditions such as cardiovascular diseases, diabetes and hypertension, among others.

- Consumers should have the possibility of knowing if a product has been obtained through genetic modification techniques before purchasing that product, so that they can choose whether or not they accept the risks associated with consuming it.
- Article 19, section 9 of the Constitution of the Republic guarantees all citizens the right to protection of health and requires the State to coordinate and monitor activity related to public health.

This law is special in that it only affects packaged food and not bulk goods or unpackaged food like bread and fast food, one of the main causes of obesity in adults and children. For example, according to data collected by the National Statistics Institute (NSI), in 2014 bread consumption per capita in Chile was 96 kilos, making it one of the top countries in bread consumption worldwide, and 85 % of the population consume bread in large quantities.

<sup>1</sup> Mañalich califica de "absurdo e inaplicable" proyecto de ley sobre alimentos envasados, [http://www.emol.com/noticias/nacional/2011/04/13/475822/manalichcalificad\\_eabsurdoeinaplicableproyectede-ley-sobre--alimentos-ensvasados.html](http://www.emol.com/noticias/nacional/2011/04/13/475822/manalichcalificad_eabsurdoeinaplicableproyectede-ley-sobre--alimentos-ensvasados.html)

“Come-ons such as toys, accessories cannot be used under any circumstances”

The established limits on calories, saturated fats, sugar and salt will come into effect progressively in 36 months. That is to say, 24 months after coming into effect, and again at 36 months, the limits will become more strict and demanding.

Regarding food advertising, it highlights the following:

**Article 5.** - The Ministry of Health will determine which foods contain (per one unit of weight or volume) a large amount of calories, fat, sugar, salt or other ingredients that the ordinance names. These foods should be marked as "high in calories", "high in salt" or another equivalent phrase as appropriate.

**Article 7.** - Products described in Article 5 cannot have advertising aimed at children under 14.

**Article 106, 34.** - For the purposes of this law, advertising is defined as "all forms of promotion, communication, recommendation, propaganda, information or action aimed to promote the consumption of a certain product."

**Article 8.** - The promotion of foods indicated in Article 5 cannot use come-ons not related to the product's own promotion when it is aimed at children under 14 years of age. Come-ons such as toys, accessories, stickers, incentives, or other alike cannot be used under any circumstances.

Figure 2. Energy, Sodium, Total Sugar and Saturated Fat Limits

	Energy kcal/100g	Sodium mg/100g	Total sugar g/100g	Saturated Fat g/100g
Limits for Solid Foods Values larger than:	275	400	10	4
	Energía kcal/100g	Sodio mg/100g	Azúcares totales g/100g	Grasas saturadas g/100g
Limits for Liquids Values larger than:	70	100	5	3

The members of the Health Commission included the following points:

- Genetically modified foods (GMO) require a label.
- The label should be separate from the ingredient information and nutritional information in order to create a real visual impact on the product.
- Distinguish between who uses genetic engineering to produce food, and who produces it naturally.
- Label all food that exceeds the established limit of critical nutrients (sugars, sodium, calories, saturated fats) with a black octagon (similar to a STOP sign). Text inside the octagon should specify that the product is "HIGH IN", followed by the critical nutrient.
- These products should be banned from being sold or advertised within preschool and elementary educational institutions.
- These products should be banned from being offered or given out for free and should not be advertised to those younger than 14.
- Giving out "presents" or "come-ons" such as toys, games or prizes that are associated with said foods should be banned (example: Happy Meal).

Figure 3.



Source: Diario La Tercera

“Micro-enterprises and small companies will be allowed 36 months to start using the label **HIGH IN**”

### 3. IMPLEMENTATION OF THE LAW

The final version of the law was published in the Official Journal on 26 June 2015 and, as established in its transitory articles, will take effect 12 months after its publication, that is, on 26 June 2016 (Art. 1).

Micro-enterprises and small companies (defined in Law 20.416, which creates the rules for smaller companies) will be allowed 36 months from the date the law comes into effect to start using the label "HIGH IN", according to the law.

In addition, within the first 18 months after publication, the Undersecretary of Public Health, within the context of the Advisory Commission for the revision and update of the Food Sanitary Regulation, should produce a report that evaluates the application of these measures, the adaptation of technological processes and the impact on consumers. Said report will consider the opinions of other Secretaries of State that are competent in the subject, who will be able to suggest alterations to the Sanitary Regulatory Code.

### 4. ARGUMENTS

#### PRIVATE ENTERPRISES

The changes defined in the new Law on Food Labelling has generated great discussion

between the Parliament and the Chilean food industry, since the latter has declared that their perspective was not considered before decisions were made, even though they are a fundamental party in this matter.

Rodrigo Álvarez, President of Alimentos y Bebidas de Chile, a guild that joins food, drink and supplement companies and which has had the most frontal position before the authority, has commented on several occasions that "there are those who interpreted our observations as an extension request. I would like to be emphatic in this regard, the industry has not requested any postponement, nor will it." His words are part of the defence made for food companies, alluding to the fact that since they were left out of the discussion of the project, today they have no option but to comply with the law to the letter, with the resulting costs it implies.

Along with this, the food industry has also expressed concern regarding the new regulations, since imports and exports of products that exceed the established limit could suffer. Producers could reduce or completely stop their trade in the country, since for many, marking up all of their products would not be financially or operationally convenient.

**“The new law presents a complicated position for the Government of Chile in regards to international companies”**

### INTERNATIONAL OBSTACLES

The new law presents a complicated position for the Government of Chile in regards to international companies, specifically in the Technical Barriers to Trade Committee in Geneva. The regulations infringe on some articles of the World Trade Organisation (WTO) that declare that Member States respect free competition for all products, with similar regulations for both local and imported products.

It has also become apparent that the law violates Article 2.2 of the Technical Barriers to Trade Agreement, which states that "regulations shall not be more trade-restrictive than necessary to fulfil a legitimate objective." It also affects Article 2.4, which recommends using relevant international standards already in place when a Member State decides to incorporate new technical regulations. It uses the example of economies that use traffic lights and some warning messages on their packaging, instead of the Chilean black stop sign.

### INTELLECTUAL PROPERTY AT RISK

Furthermore, there is debate about the topic of intellectual property. According to what the law defined, children's characters, such as the Kellogg's tiger and Nestlé's

Chocapic dog, could disappear. In light of these questions, the food industry affirms that there is little clarity and many contradictions on how brands can use their images and makes it clear that intellectual property not only protects the brand but also the characters associated with the brand.

ChileAlimentos, Food Industries Association of Chile, declared that the Ministry of Health has not made public the regulations with which it will supervise the compliance to the regulation. Thus, it is not known who will be taxed and sanctioned if the regulations are not complied with, two pieces of information fundamental to complying with the law.

Law expert on intellectual property Loreto Bresky indicates that the industry's biggest concern is that each brand's images, of which the majority are children's images such as the Kellogg's tiger or Nestlé's Chocapic dog, will be considered a come-on for children. She says another relevant point is how the industry will be supervised during holidays such as Halloween or Easter, where a large part of production is geared towards young children.

The food industry classifies these measures as excessive, but authorities defend it and indicate that it is an opportunity for these

**“The Medical College has said that the law's objective is to reduce obesity”**

companies to innovate their products and the advertising they generate around them.

#### ACADEMIC OPINION

For his part, Samuel Durán, President of Chile's Association of Nutritionists, has stated that the regulation "was absolutely necessary given the epidemiological nutrition profile of our country, where half of schoolchildren are overweight or obese. Chile has taken a very long time to process these regulations. In fact, it should have been ready three years ago."

The Association of Nutritionists has referred to one of the main points of disagreement in the law: the nutrient limits, which were very strict or unsuitable.

Ricardo Uauy, paediatrician and nutritionist at the Chilean Academy of Medicine, has been emphatic that obesity should not exceed 2 % of the population, indicating in regards to the law that "not enough is being done to lower the numbers, in family and school environments. Not enough is being done about the offers children receive through advertising messages or incentives, which are the main factors that influence their diet as well as how much they eat and how they move."

The Medical College has said that the law's objective is to reduce obesity and that, if that

doesn't happen, it is cause for concern, and it means that more needs to be done.

Along with this, Doctor Paloma Cuchi, representative of the World and Pan American Health Organisation, indicated that the new law "is fundamental to change the health indicators of the population," criticising some industry members' resistance to the law.

#### IMPLEMENTATION

The lack of information regarding implementing the regulation and the packaging is a contentious issue, since the Ministry of Health established that all commercialised food should comply with the new Law on Labelling by 26 June. In other words, products should contain the black octagon if they are on sale, regardless of the manufacturing date.

Regarding this, the Foodstuffs Committee of the Federation of Chilean Industry (FCFCI)<sup>2</sup> met with the treasury inspector to re-evaluate the labelling regulations and decide if it included all products manufactured and imported after 26 June or for those put on sale from that date. On that occasion the guild presented practical reasons against this measure, amongst which were

<sup>2</sup>FCFCI is the largest conglomerate of companies in Chile, joining around 4,000 companies throughout 38 industry associations and 19 regional industrial guilds.

**“Chile, the strictest country with regards to food labelling”**

prominent the unfeasibility of this interpretation and the resulting loss of millions of products available in 200,000 sales points in Chile. In view of this, the industry indicated that they would continue to insist until 26 June that there is an error in interpretation and that this error will cause incalculable losses.

There have also been certain doubts about what will happen with the labelling on food found in duty-free shops at airports. In response to this Lorena Rodríguez, Chief of the Department of Food and Nutrition of the Ministry of Health, has stated that "everything that is in the country needs to comply with the health regulations fully, whether it comes from outside the country or is produced within it."

All of the measures and initiatives that Chile has taken have situated it internationally as the strictest country with regards to food labelling. It has raised the bar very high to accomplish the mission for which this bill started: significantly reduce the percentage of obesity, mainly in children but also in adults.

## 5. INTERNATIONAL OPINION

The disputes have gone beyond national borders and have extended throughout the region. The greatest exponent

has been the president of the Chilean Senate's Health Commission, Guido Girardi, who last year in the Second International Conference on Nutrition (SICN) asked organisations to protect the human rights of children. He described the food industry as the "paedophiles of the 21st century that violate the human rights of children."

He specifically referred to the fact that some multinationals "abuse children's naivety" and create endemic diseases like obesity, heart attacks, cancer, hypertension or diabetes, as well as nutritional deficiencies. He gave assurance that the Health Commission is working together with the Institute for Human Rights and Unicef to establish an inquiry against the aforementioned multinationals for endangering children's health.

Doctor Ricardo Uauy, winner of Chile's National Prize in Medicine and an acquaintance of Senator Girardi, has pointed out that in countries like Mexico, regulations like the one created for Chile have already been implemented. In these cases, food companies haven't seen losses in their sales but a reduction in the consumption of their "standard" products and an increase in those sweetened with stevia or other non-caloric additives.

In addition, the Consumers International office for Latin America and the Caribbean

**“Three Latin American countries, Mexico, Ecuador and Bolivia, have already implemented a similar law”**

is emphatic in criticising the industry, stating that "the unprecedented offensive of the national and transnational food industry to halt the approval of efficient regulations and labelling in various countries is unspeakable." This declaration is based on the fact that every year more than 11 million people die from eating unhealthy food, according to studies done in 2012 by the Institute for Health Metrics.

According to Consumers International, 50 % of adults living in Latin America are overweight or obese, mainly from consuming ultra-processed foods and drinks with excessive sugars, calories, fats and salt, in addition to a sedentary lifestyle. In addition, members of Parliament say they don't understand why the national and multinational food industry insists on ignoring this well-known situation and rejects the measures considered in the Plan of Action for the Prevention of Obesity in Children and Adolescents, approved by the government in October 2014.

On the other hand, it is worth noting that three Latin American countries, Mexico, Ecuador and Bolivia, have already implemented a similar law. The latter of these has implemented the regulations only recently in January.

In addition, Argentina has proposed presenting a draft bill on labelling imminently.

#### MEXICO

In the case of Mexico, on 5 April 2010 the regulation that oversees the general specifications of labelling for pre-packaged food and non-alcoholic beverages was published in the Official Journal of the Federation. Amongst the most relevant health information that should be included in labels are: list of ingredients, batch number, expiry date or best before, nutritional information and nutrition-related claims.

However, there were several criticisms during the first years after its implementation. International specialists, amongst them scientists, researchers and defenders of public health, considered the labelling confusing, incomplete and not understood by the majority of the population. They added that it would not help combat obesity, which affects seven out of every ten Mexicans. Finally, the Mexican labelling law was amended in 2014 to specify that food and non-alcoholic beverages should show a clear Nutritional Information Badge for consumers.

Since its application, the main repercussion for the food industry has been verifying

**“The first initiatives regarding food labelling in Ecuador started in 2006”**

the implementation of the new labelling, since many times agreements have not been made with authorities about calorie content or a Nutritional Information Badge isn't included, despite the fact that the product fulfils the adequate profile.

Regarding this, Federal Attorney for the Consumer (Profeco) Ernesto Nemer stated that Mexico should transition into using the traffic light label, which allows the consumer to quickly identify which foods are healthier. He added that it is practical, since red, yellow and green are colours everyone associates with positive and negative alerts, and is a model that makes the information clear and certain as well as facilitates the consumer with information on a product's nutritional and cautionary content. NGOs are the main pioneers of the traffic light labelling system. Every day the influence of these organisations increases in the implementation of public policies.

#### ECUADOR

The first initiatives regarding food labelling in Ecuador started in 2006 in a seminar promoted by the food industry, which discussed the implementation of traffic light labelling on products. What the industry was really looking for on this occasion was replacing the nutritional labelling for the traffic light.

The Ecuadorian Tribune of Consumers, member of Consumers International, which was present at this seminar, opposed this replacement and requested including both the nutritional information and the traffic light warning on products. In the end, they did not come to an agreement.

After seven years without a consensus, it was newly in 2013 that the labelling project was taken up again through an initiative by the Ministry of Health. It succeeded in publishing the regulation on 15 November of that year, giving companies 12 months from its enactment to implement it. The regulation consisted in marking the front of packaging with a label that indicated the levels of sugar, fats and sodium. It stipulated three types of alerts: a red one that indicated a high content, a yellow one that indicated an average content, and a green one that indicated a low content.

Two years after the law was enacted, Director of the Ecuadorian Tribune of Consumers and Users María José Troya says that the Nutritional Traffic Light has been widely accepted in the country, and that more and more people use the colours to help them decide on purchasing processed foods. In addition, she indicates that the industries who have been most affected are taking measures to reduce the amounts of

**“There has been a 35 % decrease in sales of products high in fat, sugar or salt”**

fats, sugars and salt in their formulas because they have seen their profits affected.

Regarding whether it has reduced the consumption of this type of food, according to Quito's El Comercio newspaper, there has been a 35 % decrease in sales of products high in fat, sugar or salt.

Additionally, parallel to the regulation on traffic light labelling, regulations were suggested that prohibited the use of certain publicity resources, for example, images of animals, but in the end these were revoked.

For Latin America and the world, Ecuador is an example for implementing measures to combat excess weight and obesity. Because of this, at the World Health Assembly (held in Switzerland) the country presented how it adopted food labelling to promote healthy nutrition, advocating for the rights of citizens to know the contents of the foods they consume in order to look after their health and to be able to make decisions on their own lives.

Nevertheless, these days there is ample debate on the topic of traffic light labelling on dairy products in light of studies conducted by the dairy industry that show that sales have dropped between 14 and 16 %. Some governmental authorities have publicly

proposed eliminating the labelling system for these products on account of the risk situation all along the value chain, most prominently with farmers. However, concrete proposals have not yet been made, nor have the decision-makers responded.

#### ARGENTINA

In September 2005, two of Mercosur's regulations were incorporated into the Argentine Food Register: #26/2003 "Technical Regulation for Packaged Food Labelling" and #46/2003 "Technical Regulation on Nutritional Labelling for Packaged Foods." Both regulations monitor packaged foods in the absence of the client, ready to offer them to consumers, and apply to the States Parties of Mercosur.

The first resolution legislates on "all marketed food, regardless of its origin," while the second legislates on "packaged foods that are produced and marketed amongst the countries that make up Mercosur and extrazone imports."

Argentina incorporated both regulations to their legal system in a joint resolution that also established that food containing non-caloric sweeteners, tartrazine, benzoic acid, or calcium, potassium, or sodium and sulphur dioxide and its by-products, should declare that presence with a

**“In Argentina adult obesity increases by 1 % each year”**

legend that states "CONTAINS and the full name of the additive," provided that it was not included in the ingredient list on the label.

After seven years without changes, in 2012 a draft bill was presented to label genetically modified food, which proposed these products carry a "perfectly visible and accessible" label which says "Contains genetically modified organisms." However, this initiative never came to fruition.

Finally, on 14 December 2015, the senator for Buenos Aires Province, Juan Manuel Abal Medina, together with Doctor Alberto Cormillot presented a project for food labelling, which looked to offer clarity and nutritional information. The proposal was to implement the traffic light model, having taken as an example Ecuador's experience.

One of the foundations of this initiative was presented by Dr Cormillot, who stated that "in Argentina adult obesity increases by 1 % each year. 40 % are hypertensive, 20 % are diabetic and 25 % of women have high cholesterol." Senator Abal added that "the current labels are very difficult to read and even more difficult to comprehend. This project looks to facilitate the information so that consumers know which foods are healthy and which need to be approached with certain caution."

## BOLIVIA

In Bolivia, the first initiatives of food labelling were presented by the National Agricultural Health and Food Safety Service (NAHFSS) in 2002. In this case, it was established that all pre-packaged foods should have a label with the following: food name, type and physical aspect, expiration date, place and country of origin, among others.

After 10 years without amendments, in 2012 a new change was proposed. Deputy Minister of the Defence of User and Consumer Rights, Sonia Brito, presented a project she called "health traffic light," which would be included on product labels, determining by colours (red, yellow and green) the amount of saturated fats and sugars present, especially to protect diabetics and hypertensives. After three years of proceedings for the health traffic light project, the Healthy Food Promotion Law came into effect on 8 January of this year.

The Bolivian regulation counted with the guidance of the Pan American Health Organization (PAHO) and was drawn up by local ministry specialists and nutritionists. The objective is to make it easier for the consumer to see if the food they purchase has a high sodium, sugar, saturated fat or chemical content. In addition, it makes

“There is concern about the consequences of applying higher food taxes”

the labelling obligatory for the food industry, both national and international. This law also wants to encourage the water consumption in the population. It also added in Articles 12 and 13 that restaurants or food shops should offer natural, drinkable, non-bottled water free of charge for customers.

## 6. TAXES: A GOOD IDEA?

### SUGAR COMMISSION

The most recent studies of the Nutrition and Food Technology Institute (NFTI) indicate that the consumption of energy dense food, and high in fats and sugars, increase a risk of diseases like cancer, diabetes and hypertension. Due to government's concern about the harmful effects of overconsumption of sugar on the population, on 9 December 2014 the Ministerial Advisory Commission was created in Chile to analyse proposals to tax foods with a high sugar content. This was named the Sugar Commission, which is composed of different academics, economists, doctors, and nutritionists that look to make conclusions and give recommendations on this topic.

Amongst the main topics that this technical team is defining whether a higher tax will be added to products with an excess of sodium and saturated fats. In the face of this situation, various market parties predict that

one of the main obstacles will be agreeing on whether this tax is effective. Because the commission's conclusions are not a regulation, they are not binding, and as such do not hold as much weight or regulatory importance.

The president of the Association of Nutritionists in Chile Samuel Durán has noted that the tax "should be around 20 % to truly create a change in conduct, especially for people with less resources, who are the most affected by the diseases caused by overconsumption of sugar." The paediatrician specialist in nutrition Cecilia Castillo comments that "this tax should be related to the products' sugar content and the volume of consumption. If it is not, the same thing will happen as what happened with the beverages, it made a bad impression and the likely risk is that the tax won't serve to help obtain the objective of public health and will become regressive. A very serious study needs to be done so that the tax makes a real effect on public health."

For its part, the food guild ABChile has stated that "there is concern about the consequences of applying higher food taxes, since it is demonstrated that these tend to be inefficient and regressive". The Commission is still discussing whether it will be included in the Tax Reform.

**“The tax decreased the consumption of sugared drinks by an average of 6 %”**

### TAX ON SUGARED DRINKS

During the proceedings for the Tax Reform, an increase to the current tax on sugared drinks was proposed. In Chile, the "Additional Tax to Non-Alcoholic Beverages" (ATNAB) is applied to non-alcoholic beverages, ad valorem at a rate of 13 %. It has been in effect since 1974, taxing a 20 % of non-alcoholic drinks, syrups, and flavoured water, and later being lowered to 13 % in 1985.

One of the arguments for increasing the tax to these beverages is the effect consumption of sugar has on health and the obesity and diabetes epidemics, as well as the generation of dental cavities that are a big problem in Chile. Thus, the government decided to incorporate an additional tax of 5 % into the Tax Reform solely to sugary drinks, which would result in an 18 % tax. However, this has not had a positive outcome, since the definition in the Reform text was not clear as to what products the tax was applied, since sugared drinks cover a wide variety of products: fizzy drinks, juice with added sugar, fruit nectars, drinks with a fruit juice base, sweetened drinks and tea, sports drinks and drink mixes.

On the other hand, although the World Health Organisation (WHO) and the Pan American Health Office (PAHO) suggested an increase of at

least 20 percentage points in order for the tax to help achieve the public health goal, the scientific evidence surrounding this was not taken into account. In addition, the tax should be applied not only "ad valorem" but also according to the percentage of sugar content and sales volumes, if modifying consumption is the real goal.

Even so, according to the National Statistics Institute, there was a 7.28 % increase in the price of fizzy drinks during the last trimester of 2015, and also a decrease of 6.4 % in sales during the fourth trimester of the fiscal year, which seems to be insufficient to reduce the consumption of this type of product, obesity and its associated ailments.

### MEXICAN EXPERIENCE WITH THE TAXES

In 2014, the Mexican Tax Reform established a national tax on sugared drinks and fast food, which represents an increase of 10 % for each litre of sugared drinks and an 8 % on foods with a high calorie count. This situation is the opposite of Chile's, since according to a study carried out by the National Institute of Public Health (NIPH), in the first year after the tax came into force in 2014 the tax decreased the consumption of sugared drinks by an average of 6 %. In addition, in the poorest households, monthly purchases

**“Chile's Law on Food Labelling and Advertising is too strict and has been very controversial”**

of sweet drinks fell by 9 % and bottled water consumption rose by 4 %.

However, separate studies carried out by the Mexican Autonomous Technology Institute (MATI), the College of Mexico and the University of Nuevo León agree in that the tax did not have a big impact on beverage demand or on calorie intake. The results have been taken up by the National Association of Refreshment and Carbonated Water Producers and the Mexican Council of the Consumer Product Industry (ConMexico), which unites the big food industry companies.

Finally, it is important to note that NGO's are demanding that this tax be increased, since 70 % of sugars consumed come from these beverages. This is particularly significant given that Mexico has one of the highest sugared drinks consumption in the world, with an average of half a litre a day, according to the Alliance for Nutritional Health.

## 7. CONCLUSIONS

In view of the various arguments presented and the international experiences of Latin American countries, we can conclude that Chile's Law on Food Labelling and Advertising is too strict and has been very controversial, mainly because the food industry has declared itself against the

government's amendments. The majority of these arguments have emerged mainly because they have indicated that the Ministry of Health has not been clear regarding the logistics of implementing the law. The industry also believes that it was not taken into account while the project was being discussed, even though they are a key party.

In addition, they believe that the time frame given for the guild to include the labels on their products and begin to be taxed was insufficient. At the same time, the international companies, who should also apply labels to products they import to Chile, have described it as excessive and have discussed filing a claim against the country stating that the regulation infringes some of the articles of the WTO.

The Chilean model is not easy to replicate in other Latin American countries. Although it seeks to reach the same goal as the regulations in Ecuador, Bolivia and Mexico, the traffic light model in these countries seems friendlier than the black STOP signs in Chile. In these three countries, the food industry and the government managed a consensus by sharing opinions and seeing the best way to help the consumer make choices.

In addition, in order to be considered a replicable model capable for the region, it still



**“The Chilean model is not easy to replicate in other Latin American countries”**

needs to be applied so that we can measure its impact as well as whether the objectives are reached so that it can be viewed as an efficient and replicable public policy.

Ecuador's model could be considered a replicable model for Latin America, since, as was already mentioned, it has seen good results since its implementation. It has increased the consumption of healthy food and encouraged companies to innovate in their products in order to make them more nutritious.

Another relevant point is that the Ecuadorian regulation was successful because it was adopted following the suggestions of the food guild,

working as a team to come up with a common project. It has already been replicated in Bolivia and has been used as an example by the Union of South American Nations and its South American Institute of Government in Health (SAIGH) to implement as a regional public policy that helps combat child obesity.

Furthermore, Mexico and Argentina are looking to implement the Ecuadorian "health traffic light" law in their own countries, inferring/ deducing that Ecuador has more experience and good acceptance by the food industry and consumers, in order to be considered as an example for Latin America.

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# LLORENTE & CUENCA

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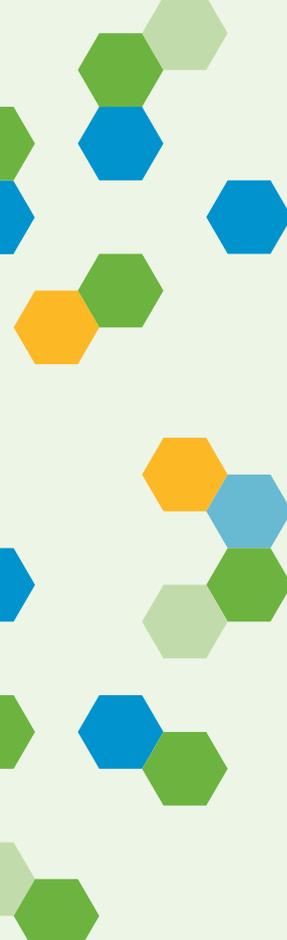
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