



HFMA UPDATE

by Graham Keen,
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A momentous New Year



"New Year – a new chapter, new verse, or just the same old story? Ultimately we write it. The choice is ours." – Alex Morritt, Impromptu Scribe

Having thankfully survived the New Year celebrations intact, I'm writing this article on my first day back at my desk. As I wonder how we can surpass the great year that was the subject of my last article, I quickly realise that we have a potentially momentous year ahead of us as the nation decides whether it wants to be 'in' or 'out'.

The precise wording of the question we shall all be voting on is 'Should the United Kingdom remain a member of the European Union or leave the European Union?' Interestingly, what you may not be aware of is that the Electoral Commission has announced that the Referendum result will be declared in Manchester.

As anyone will by now know, the current Conservative Government has promised to hold a referendum on British membership of the European Union, following a manifesto promise to that effect, by 2017 at the latest. But the hot money is now on this taking place as soon as the middle of this year. We expect the actual date of the referendum to be confirmed shortly after negotiations in Brussels are concluded, which we are advised is likely to be at the February 18-19 European Council. Whilst Downing Street insists it will not make a decision about when the referendum will take place until after the negotiation is complete, we do know that they have privately made it known that they would like to hold it in June of this year. President Hollande of France also inadvertently said as much in his press conference after the December summit in Brussels.

Having lived in the USA for several

years, I can advisedly inform you that one of the small mercies that we can count our blessings for here in the UK is that when it comes to taking serious decisions at the ballot box, we don't go through the one-two year drama that our 'Colonial cousins' have to endure! Assuming that the Government is aiming for June and given that they are required to allow 10 weeks for the referendum campaign, we can expect that they will formally confirm the date in the fortnight after the February Council that I referred to above. The ability to move this quickly resulted from the European Union Referendum Bill receiving Royal Assent after MPs voted down a new amendment to lower the franchise to allow 16 and 17-year-olds to vote in the referendum, with 246 in favour and 263 against.

And why as soon as June, I hear you ask? Well, it seems that if the Government, which is expected to campaign for an 'In' vote, wants to hold the referendum before the summer, when a surge in the numbers of migrants trying to enter the UK is expected, a key factor influencing public opinion on the referendum. And I understand that the leaders of both France and Germany are reluctant to have the UK referendum be a factor in their own national elections taking place in early 2017!

Of course, a lot will depend on how the forthcoming negotiations turn out. On November 10 last year, the UK published its four objectives for the negotiations to reform the UK's relationship with the European Union. These are:

- Economic governance, in particular, ensuring that non-Eurozone members do not face discrimination or disadvantage for business.
- Competitiveness, generating growth and cutting unnecessary regulation.
- Sovereignty, including a greater role for national parliaments.
- Immigration, both internal EU and from third countries.

According to a new ComRes poll of 1,001 adults for the Open Europe think tank, British support for remaining in the European Union will fall significantly if Prime Minister David Cameron is not able to achieve safeguards for non-Eurozone countries and curbs to welfare payments for migrants. Polling results indicated that failing to achieve these two produced the biggest swing towards the 'leave' camp. According to ComRes, as things stand, 56 per cent of voters surveyed between December 11-13 favoured staying in the EU and 35 per cent would opt to leave.

The negotiation, and in particular the technical detail of

the final agreement, represents an opportunity for the HFMA to make the case for an improved relationship with the EU for HFMA's members. The HFMA's primary objective is to protect members from unnecessary and overly burdensome EU legislation. In particular, future implementation of technical measures stemming from the Food Supplements Directive could have a disproportionate impact on members. This impact is especially pronounced because many of those affected are SMEs with largely domestic customers.

Therefore, we intend to make the case for reducing the burden of, and improving implementation of, EU legislation, pressing for improved national (i.e. UK) scrutiny on implementing measures before they are enacted, which is directly connected to the UK's second and third negotiation objectives. HFMA Chair, Robert Taylor, has this week written to the Prime Minister saying exactly this.

And what is the expected outcome? Well, your guess is as good as mine, but clearly things are very finely balanced. What is referred to as "splendid isolation" is now a real possibility (although I'm not sure how happy the average Norwegian feels to be splendidly isolated!), but I'm sure we can expect the Government machine to swing into action with a major 'In' campaign. I think I can confidently predict an intense 10-week campaign that will leave a lot of bemused and confused people scratching their heads as they try to make their momentous decision. **hfb**

To help us in our efforts to protect this industry and benefit from the gold-standard advice we provide, join the HFMA at the earliest opportunity. To learn more about our activities, please contact graham@hfma.co.uk.

HFMA membership is vital to ensure that your company keeps abreast of the fast-changing regulatory environment. The HFMA is the UK's best source of information and most effective defender of our industry's interests. To help the HFMA defend your business at this most critical time contact hfma@hfma.co.uk or call 020 8481 7100.

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