



HFMA UPDATE

by Graham Keen,
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The big question

My guess is that you are reading this article on or around the time that we are all getting together once again at ExCeL in Docklands for the Natural & Organic Products Europe expo. Personally, I'm really looking forward to seeing everyone, old friends and new faces alike, as we celebrate everything that is great about our industry.

What this also means is that you will probably be reading this article a couple of days into the EU 'Brexit' Referendum official campaigning, which runs from April 15 until June 23 – voting day. And the question we will all be voting on is 'Should the United Kingdom remain a member of the European Union or leave the European Union?' Your voting options will be 'Remain a member of the European Union' and 'Leave the European Union', and it really is as simple as that. On how we collectively respond to that question will critically determine the future environment for this industry, and the country as a whole.

THE NEW QUESTION

Should the United Kingdom remain a member of the European Union or leave the European Union?

Responses

Remain a member of the European Union

☐

Leave the European Union

☐

Groups hoping to be named the official 'Remain' and 'Leave' campaigns have submitted their applications to the Electoral Commission, and while 'Britain Stronger in Europe' is the only group applying to lead the argument for the UK's continued EU membership, the designation for 'lead' Leave campaigner is being contested by three different groups; Grassroots Out (GO), Vote Leave, and the Trade Unionist and Socialist

Coalition. This seems to me to be a reflection of the more fragmented 'Leave' campaign so far, compared to that of the 'Remain' campaigners.

I receive weekly updates from the HFMA's excellent public affairs advisers, Cicero Group, and the latest one I have tells me that it is too close to call, the 'poll of polls' reckoning on the 'Remain' vote being 51 per cent and 'leave' 49 per cent. So no surprises there then. But I seem to remember that the last General Election and the Scottish Referendum were equally 'too close to call', and look how badly the pundits miscalculated those two outcomes! But the generally perceived wisdom is that as much as 30 per cent of the electorate is undecided and keeping their collective heads down, and it is this group that will surely determine the final outcome.

Big business, with a few exceptions, tends to be in favour of Britain staying in the EU because it makes it easier for them to move money, people and products around the world. BT chairman, Sir Mike Rake, a recent CBI President, says there are "no credible alternatives" to staying in the EU. But others disagree, such as Lord Bamford, chairman of JCB, who says an EU exit would allow the UK to negotiate trade deals as our country "rather than being one of 28 nations". The British Chambers of Commerce says 55 per cent of members back staying in a reformed EU.

Many small and medium-sized firms would welcome a cut in red tape and what they see as petty regulations, and that is absolutely the position of HFMA. Whatever the outcome, we continue to make the case for reducing the burden of, and improving implementation of, EU legislation. We are arguing for improved national (i.e. UK) scrutiny on implementing measures before they are enacted, and have written

twice in recent months to the Prime Minister saying exactly this, our latest letter receiving a personally signed and very supportive letter from the PM himself.

What will the outcome mean in real terms for us in this industry? Well, if the 'Remain' vote prevails, then I think we can reasonably expect more of the same, business as usual, and a future much the same in outlook as for the last 10-15 years. In fact, I believe there is a real prospect that the Commission, once the UK is confirmed as 'In', may quickly cast off the much more open, listening and consultative stance that has been such a welcome change for the last year or so since the 2015 EU elections.

If we decide to leave, no question an uncertain future lies ahead. But what is certain is that there won't be any immediate changes at all. The minimum time period after a vote to leave to actually leave would be two years. During that time, the UK would continue to abide by EU treaties and laws, but not take part in any decision-making, as it negotiates a withdrawal agreement and the terms of its relationship with the now 27 nation bloc. In practice, it may take longer than two years, depending on how the negotiations go, and it is generally understood that the status quo would exist for at least four years.

An interesting snapshot into our immediate future in the event of a 'Leave' majority can be seen with the recent news from Norway. You may recall that in an earlier article, I referred to the status of 'splendid isolation' of Norway, being outside of the EU but still having to conform with EU law in order to be able to continue to do business with its largest trading partner. Well now, in a move that grabbed our attention for pretty obvious reasons, Norway has proposed a revision to

its maximum levels for certain key nutrients in food supplements and is consulting *via the EU mechanism* with EU member states.

Norway has notified a draft Regulation to the EU that updates the minimum and maximum permitted daily doses for vitamins and minerals in food supplements and lays down specific provisions for the use of folic acid targeted at pregnant women and transition periods for particular levels of folic acid, magnesium and potassium in food supplements. There are a number of amendments to the allowed minimum amounts per daily dose, including for potassium, and changes to the maximum permitted amounts of magnesium and folic acid. Food supplements containing 600mg magnesium, 25mcg folic acid or 200mg potassium are subject to transition periods. Many of the maximum amounts are on the very low side, for example, vitamin D is 20mcg/daily dose, vitamin E is 30mg/daily dose and vitamin C is 200mg/daily dose. However, others are higher, such as iron, which is 27mg/daily dose and calcium, which is 1500mg/daily dose. The content of vitamins and minerals per daily dose would have to be labelled as a percentage of the Nutrient Reference Values in the Food Information to Consumers Regulation.

So, you can see here an example of 'splendid isolation' not being quite so splendid after all. Whether we are 'In' or 'Out', at least we will have a decision and the country can move on. And I'm sure that in the great British tradition, we will make the very best of it, whatever we all decide!

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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