

IBFAN Press Release – Companies continue to violate the International Code

Breaking the Rules, Stretching the Rules 2014 is a weighty collection of evidence showing non-compliance with the International Code of Marketing of Breastmilk Substitutes and subsequent WHA resolutions. The Report covers 27 companies with 813 violations in 81 countries. It names and shames those companies and reminds the world that breastfeeding rates will continue to decline as long as corporate promotion is allowed to compete with breastfeeding and undermine mothers' confidence. The inevitable consequence is increased levels of mortality and morbidity among infants and young children.

While this Report shows only the tip of the iceberg, it gives a good overview of the main marketing trends and strategies over the past 3 years.

- **Competition for market share has increased.** The profitability and the huge size of the market (USD 41 billion) have promoted a rush of acquisitions, with two global leaders, Nestlé and Danone, in fierce competition. Smaller companies also think they can get away with violating the Code with impunity. Dutch Friesland, Swiss Liptis and German HiPP all promote products without shame.
- **Social Media** are now widely used as a marketing tool. Twitter, Facebook, YouTube, Instagram, Google+, and free 'apps' downloaded by millions, are now effective communication channels to reach mothers with products and 'advice' offering endless opportunities for direct interaction with unsuspecting consumers. Bloggers are roped in to endorse products.
- **Hospitals** are still the most effective entry point for companies. New mothers trust health professionals and tend to stick with brands used in hospitals. Company representatives, ('medical reps') are trained to persuade doctors to prescribe or recommend their products, by fair or foul means. In 2013, Danone's Dumex was exposed for bribing 116 doctors and nurses in 85 medical institutions in just one Chinese city alone.
- **Targeting China.** Dozens of companies – large and small – are battling to corner the hugely lucrative Chinese formula market. 20 million babies are born each year and the market is projected to reach an annual turnover of USD 25 billion by 2017. In a sudden crackdown in 2013, six companies were fined USD 108 million for price fixing. Five of them are in this report: Mead-Johnson, Abbott, Danone's Dumex, Friesland and Fonterra.
- **Fortified toddler milks**, also called '**Growing-up Milks**' (GUMs) are used by many companies to cross-promote infant formulas and follow-up milks. GUMs have no nutritional advantage over traditional food but aggressive marketing has made them the best-performing market segment. Sales of GUMs rose by almost 17% in 2012, while follow-up formula sales grew by 12%. Asia is the largest market for these products that, although they are unnecessary, now account for one-third of the global milk formula market by value.
- **Sponsorship on the increase.** Companies regularly target doctors, nurses, midwives and nutritionists with free air tickets to conferences in luxury venues, gifts, (such as expensive laptops), lucky draws and the like. The Report shows photo evidence from unexpected corners like UAE, Turkey and Iraq.

- **Sponsorship of professional associations** also up. Companies continue to cuddle up to professional associations in developing countries as well as the West. As an example, at the 20th Congress of the International Union of Nutritional Science, in Spain, 2013, Abbott, Nestlé, Danone, Wyeth, Hero, Mead Johnson and Friesland all paid sponsorship fees ranging from EUR 40,000 to 75,000.
- **“Closer than ever to breastmilk”**. The marketing of formula invariably carries positive messages about breastfeeding, immediately followed by suggestions that the product is ‘almost’ as good. The current trend is to say that the particular formula is *“inspired by breastmilk”* or *“closely mirrors breastmilk”*. Wyeth, now owned by Nestle, launched a new product line called **Illuma**, a *“human affinity formula”*. Nestlé claims it will ensure that Wyeth meets the FTSE4Good criteria, but those criteria do not meet the minimum set out in the Code and resolutions.
- **Idealising the product with health and nutrition claims** - continues to be a favourite strategy. None of the claims, like *“the most advanced system of nutrients”* or ingredients that protect babies from infection, improve eyesight and intelligence, stand up to scrutiny and all suggest that breastmilk and family foods are somehow lacking.

Blame marketing. While trends in exclusive breastfeeding rates (UNICEF 2012) were on the rise in the early 1990’s, the global rate has remained below 40% since then. For example, the proportion of exclusively breastfed babies in East Asia fell from 45% in 2006 to 29% in 2012. In Indonesia, the figures are 10% down. In the Philippines only 17% of babies are now exclusively breastfed. Not all but much of the blame for this trend can be put squarely on marketing: In most countries, companies pay incentives to health workers to promote the use of formula. According to a Save the Children report (2013), in China 25% of mothers received gifts, while 40% were given samples, all in violation of the Code.

Blame the biggest marketers. IBFAN works to stop violations by all companies in this report. Nestlé and Danone have the widest impact, with the biggest, Nestlé, often taking the lead in opposing regulations. Nestlé is the target of an international boycott, and emails from thousands of boycott supporters have prompted changes, such as a promise to stop a claim that its formula is 'The new "Gold Standard" in infant nutrition'. Nestlé claims that 90% of the violations ‘comply with [its] policies’ demonstrating how far its policies are from the Code and resolutions.

Danone has jumped into second place in the global market after acquiring many smaller infant food manufacturers and is guilty of many violations, with esp. Dumex and Nutricia aggressively targeting health workers. Danone is also trying to link itself to the good names of charities and to government initiatives. IBFAN is launching a campaign: **'DanoNO: Say NO to company sponsorship'** while continuing to call on Danone to stop all violations.

Companies attempt to marginalise IBFAN as a lone critic of their marketing practices, but many other organisations such as Save the Children and UNICEF have called for change. Even the industry influenced ‘Access to Nutrition Index’, says: ‘the company [Nestlé] should take immediate action to ensure that its practices are in full compliance with the International Code in all countries.’

STOP PRESS: Demonstrating the need for truly independent reports such as **Breaking the Rules**, Danone was recently found to tinker with an audit of its activities in India – in order to conceal evidence of illegal sponsorship of doctors. ⁱ

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ⁱ http://www.dairyreporter.com/Manufacturers/Nutricia-India-at-risk-of-non-compliance-with-IMS-Act-Danone?utm_source=copyright&utm_medium=OnSite&utm_campaign=copyright