



NATIONAL INSTITUTE FOR HEALTH AND WELFARE

# Availability and pricing of alcohol

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# Alcohol availability regulations

- **Alcohol availability regulations are usually divided in two:**
  - **regulations on the physical availability of alcohol, and**
  - **regulations on the economic availability of alcohol.**



# Taxing alcoholic beverages

- **The most common measure by which the public sector at local, state or national level has affected the economic availability of alcoholic beverages is taxation in its different forms. These include, among others, setting excise duties or value added taxes on alcoholic beverages.**



# Other measures affecting economic availability of alcohol

- **Besides taxing alcoholic beverages, there are other measures affecting the economic availability of alcohol such as minimum prices for alcoholic beverages or regulation of discount prices.**



# The effects of changing prices

- **When other factors affecting alcohol consumption remain unchanged, an increase in alcohol prices generally leads to a decrease in alcohol consumption, and a decrease in alcohol prices usually leads to an increase in alcohol consumption..**



# Price elasticities in three recent meta-analyses

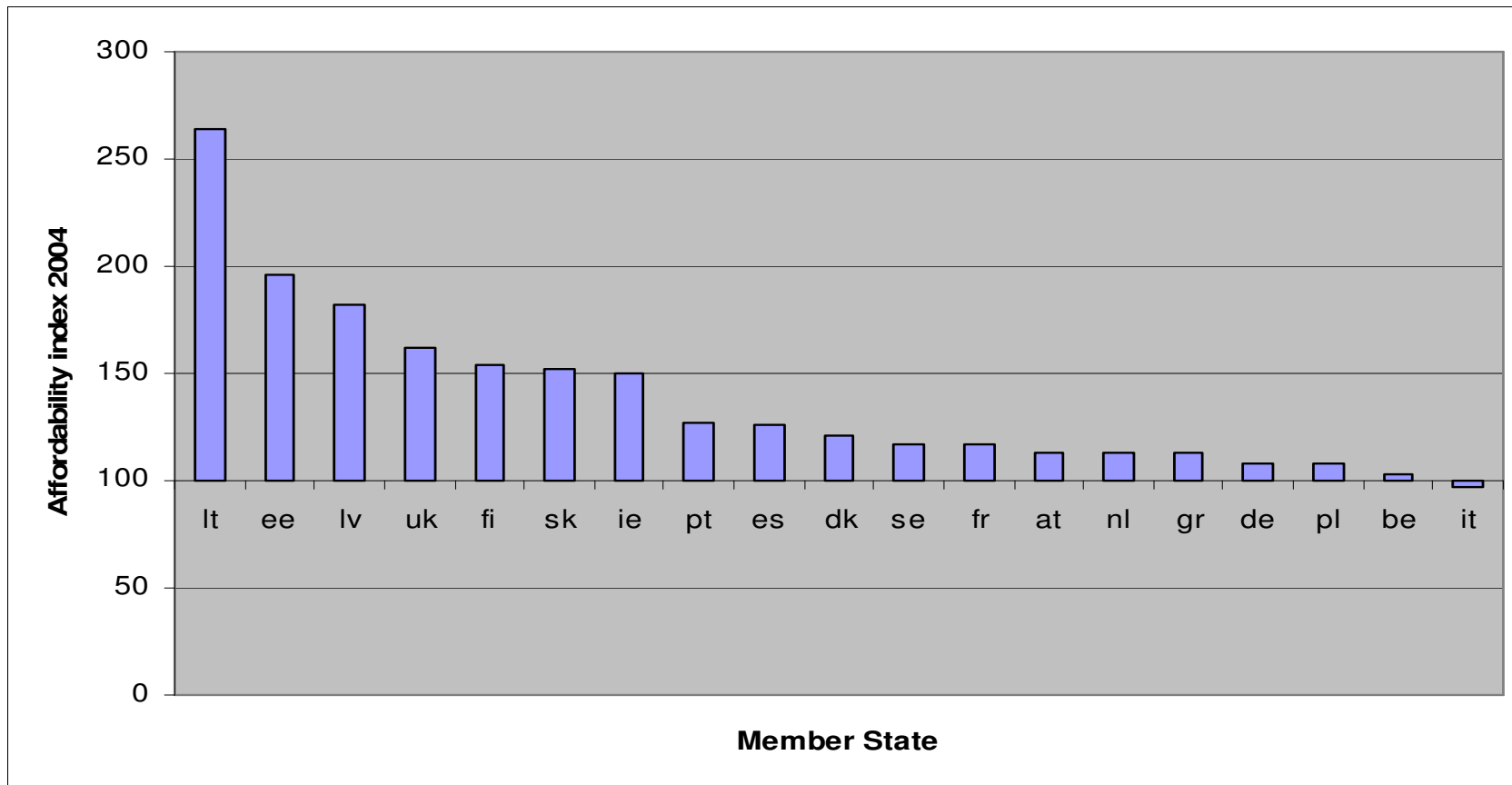
	Spirits	Wine	Beer
Fogarty, 2006	- 0.70	-0.77	-0.38
Gallet, 2007	-0.68	- 0.70	-0.36
Wagenaar et al., 2009	-0.80	-0.69	-0.46

# Effects of changes in alcohol prices

- **Studies on the effects of changes in alcohol prices strongly indicate that heavy and dependent drinkers are at least as responsive to alcohol price increases as are more moderate consumers, and, furthermore, that raising alcohol prices has a particular effect in reducing youthful drinking.**



# Alcohol affordability in some EU countries, 1996-2004





## Changes in excise duty rates in EU-15 countries, 1995-2010, %

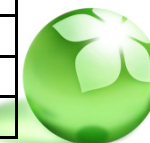
Member state	Distilled spirits	Wine	Beer
Austria	+35	0	+44
Belgium	+9	+26	+16
Denmark	- 48	- 5	- 20
Finland	- 22	0	- 8
France	+9	0	+37
Germany	- 2	0	0
Greece	+186	0	+95
Ireland	+13	- 4	- 21
Italy	+45	0	+69
Luxembourg	- 2	0	0
Netherlands	0	+38	+14
Portugal	+39	0	+25
Spain	+51	0	+18
Sweden	- 4	- 25	- 35
United Kingdom	- 5	+31	+31

## Change in excise duty rates in EU member states since 2003, 2004-2010, %

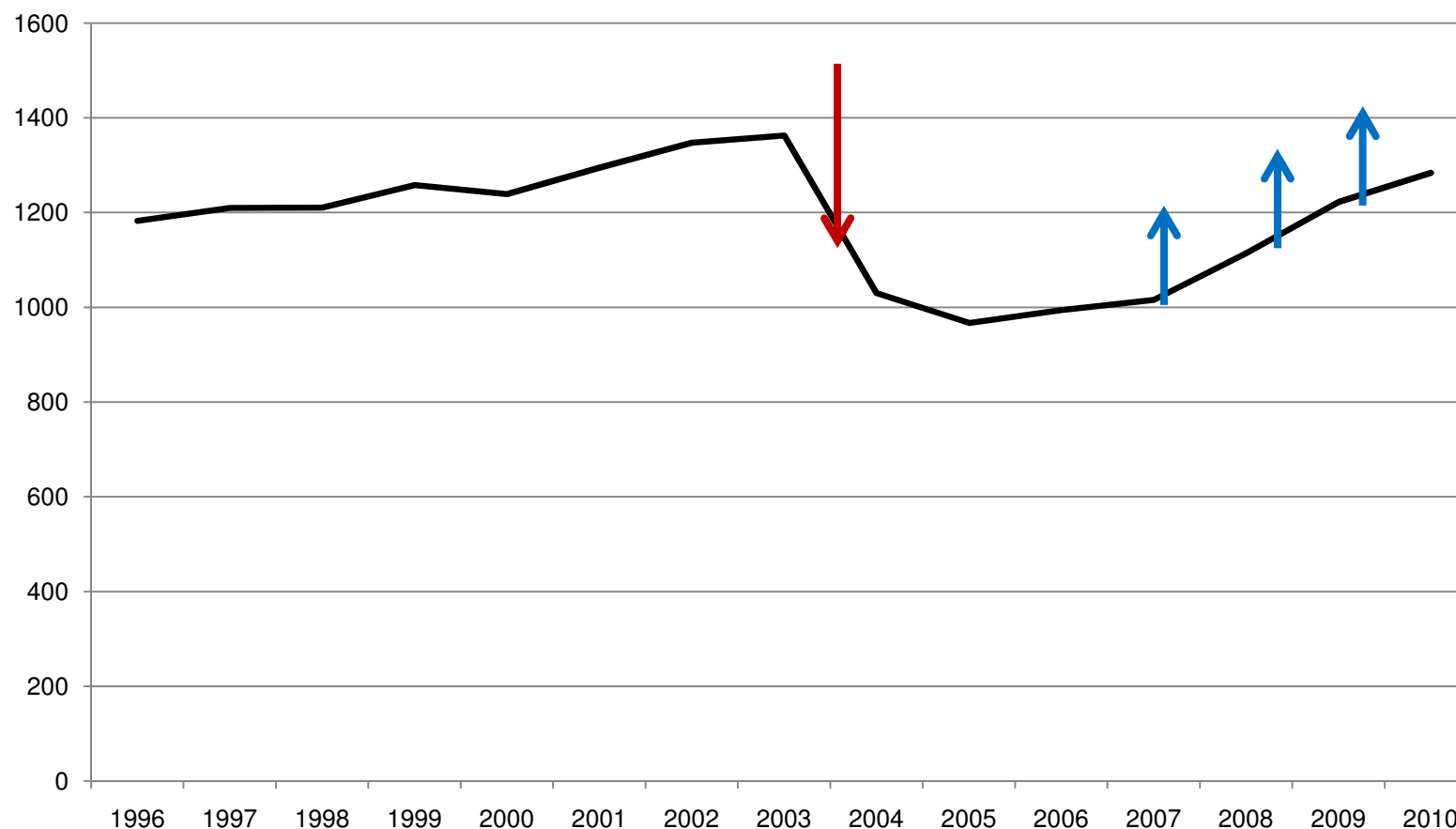
	Distilled spirits	Wine	Beer
Bulgaria	+119	0	+42
<b>Cyprus</b>	<b>0</b>	<b>0</b>	<b>0</b>
Czech	+35	0	+68
Estonia	+71	+10	+54
Hungary	+23	-100	+29
Latvia	+48	+22	+56
Lithuania	+38	+32	+21
<b>Malta</b>	<b>- 51</b>	<b>0</b>	<b>0</b>
Poland	+12	+25	+8
Romania	+344	-100	+39
Slovakia	+55	0	+126
Slovenia	+29	0	+29

## Alcohol excise duty rates in EU-member states in January 2012 by beverage categories, euro per litre of pure alcohol

	Distilled spirits	Intermediate products	Wine	Beer
EU minimum level	5.50	2.50	0.00	1.87
Austria	10.00	4.06	0.00	5.20
Belgium	17.52	5.51	4.28	4.28
Bulgaria	5.62	2.56	0.00	1.92
Cyprus	5.98	2.49	0.00	4.78
Czech Republic	11.51	9.45	0.00	3.23
Denmark	20.16	6.87	12.97	8.55
Estonia	14.20	8.68	6.65	5.43
Finland	43.40	34.72	28.36	29.90
France	16.60	10.00	0.33	2.75
Germany	13.03	8.50	0.00	1.97
Greece	25.50	5.90	0.00	6.50
Hungary	9.81	4.36	0.00	5.63
Ireland	31.13	21.14	23.84	15.71
Italy	8.00	3.81	0.00	5.88
Latvia	13.25	5.48	5.13	3.07
Lithuania	12.79	4.89	5.21	2.46
Luxembourg	10.41	3.72	0.00	1.98
Malta	12.50	8.33	0.00	1.86
Netherlands	15.04	6.82	6.23	5.02
Poland	11.26	4.01	3.26	3.89
Portugal	11.09	3.59	0.00	3.69
Romania	5.50	3.64	0.00	1.85
Slovakia	10.80	4.61	0.00	4.12
Slovenia	10.00	5.56	0.00	10.00
Spain	8.30	3.09	0.00	1.99
Sweden	54.16	27.11	21.19	17.93
United Kingdom	29.45	20.62	25.30	21.43



# Excise duty revenues from alcoholic beverages in Finland in 1996-2010 in million euro



# Physical availability of alcohol

- **On a very general level physical availability of alcohol refers to the ease or convenience of obtaining alcohol. Sometimes the physical availability of alcohol has been converted to economic availability by speaking of the effective or full price of alcoholic beverages.**



# Total prohibition of alcohol

- **Total prohibition on alcoholic beverages has been used in many western countries. Nowadays total bans on alcohol production and sales are not very common and mostly the prohibition laws on alcoholic beverages are found in Moslem countries like Saudi Arabia and Iran.**



# Restrictions on the density of outlets and time of sales

- **Restrictions on the number of outlets for alcoholic beverages have been shown to have an effect on alcohol consumption and related harm. Some studies have also indicated that changing either the hours or days of alcohol sales can affect alcohol-related harms**



# **Government monopoly of off-premise retail sales**

- **There is consistent evidence that government monopolies on off-premise retail sales of alcoholic beverages affect alcohol consumption and related harm to both young people and adults.**





# Legal minimum age limits

- **Changes in laws for minimum drinking ages can have substantial effects on drinking by young people and alcohol-related harm. These effects often lasted well after the young people reached the legal drinking age.**



# Controlling physical availability of alcohol

Strategy or Intervention	Effectiveness	Research Support	Cross-National Testing
<b>Ban on sales</b>	+++	+++	++
<b>Minimum legal purchase age</b>	+++	+++	++
<b>Rationing</b>	++	++	++
<b>Government monopoly of retail sales</b>	++	+++	++
<b>Hours and days of sale restrictions</b>	++	++	+++
<b>Restrictions on density of outlets</b>	++	+++	++
<b>Different availability by alcohol strength</b>	++	++	++

