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No place for cheap alcohol: The potential value of Minimum Pricing for protecting lives

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Background

- Alcohol kills almost 1 million people in the WHO European region *every year*
- Alcohol places a huge burden on health care services, reduces economic productivity and has many other negative impacts on society
- Price is one of the most effective tools for reducing alcohol consumption



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Background

Alcohol pricing policies are like opinions...

...everyone has one (like it or not)...

...and many of them are *bad*.



Background

- In 2020 WHO published a report highlighting that alcohol pricing policies were underutilised and often poorly designed from the perspective of public health across Europe.
- This report mainly focused on tax policy
- Increasingly, attention has been drawn to Minimum Pricing as another approach to pricing policy that might help reduce the burden of alcohol harm



The new report

Minimum pricing for alcohol:

- What is it?
- Who has it?
- Does it work?
- Common objections
- Legal issues
- What happens after it's introduced
- How to choose the 'right' pricing policy



What is it?

- A Minimum Price sets a 'floor' price below which alcohol cannot be sold
- A Minimum Price sets this floor for a fixed volume of alcohol product e.g. a bottle of wine or vodka
- A Minimum *Unit* Price sets this floor for a fixed volume of alcohol itself e.g. per standard drink or per gram of ethanol
- By setting a lower threshold for the cost of alcohol, Minimum Pricing specifically targets cheap, high-strength alcohol...
- ...which is more often consumed by heavier drinkers, who suffer the most harm from alcohol



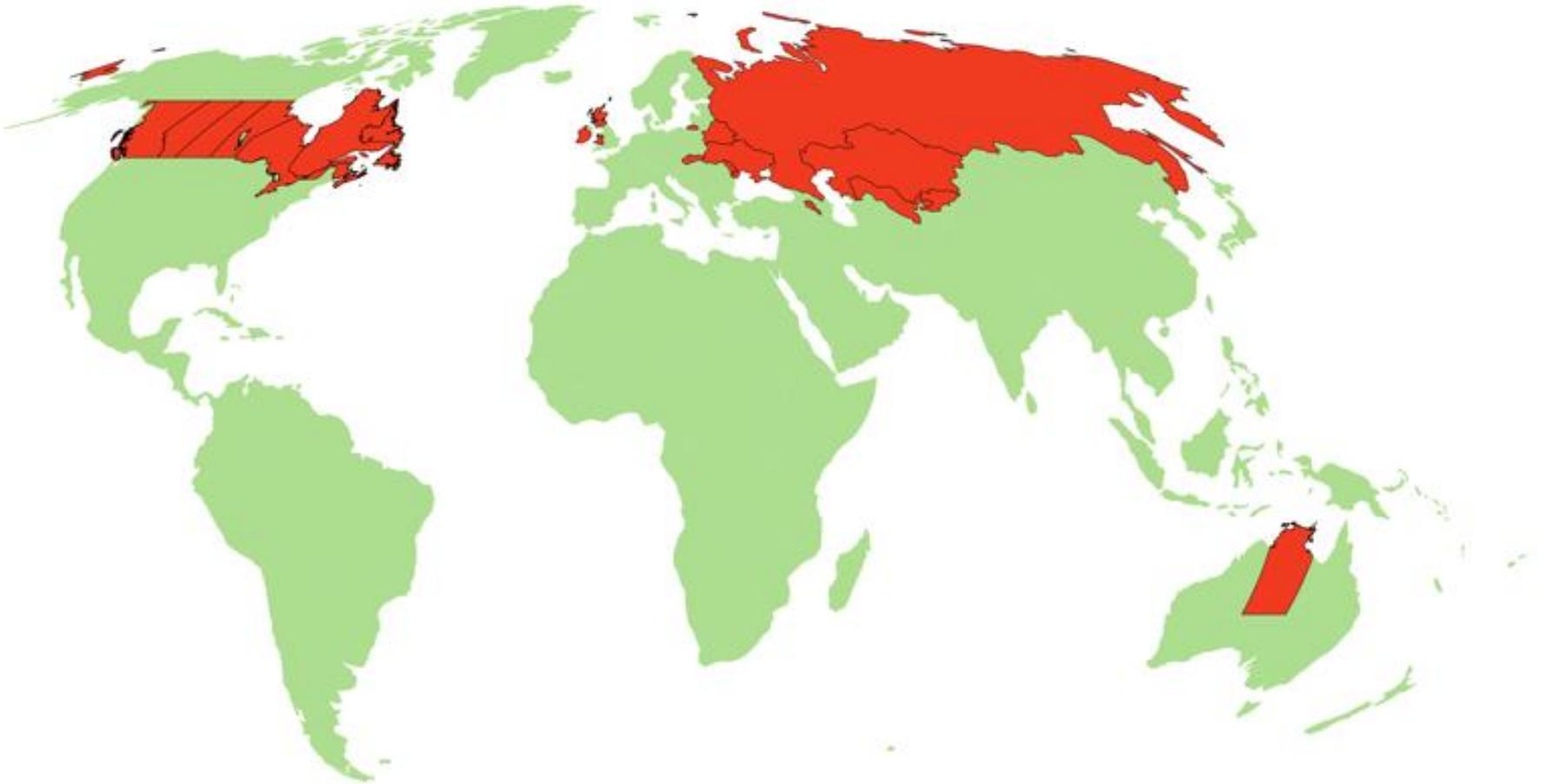
How is it not a tax?

- Minimum Pricing *only* affects cheap, high-strength alcohol
- Taxation affects the price of *all* alcoholic products (to some extent)
- Unlike taxation, where revenue goes to government, much of the additional revenue from Minimum Pricing goes to producers and retailers
- Minimum Pricing and tax are not alternatives, but complementary policies that can be combined to reduce alcohol harm while retaining revenue for government



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Who has it?





Does it work?

- Overwhelming indirect evidence that reducing the affordability reduces alcohol consumption and harm
- Strong evidence from modelling studies supports that Minimum Pricing reduces harm and narrows health inequalities



Does it work?

- Compelling evaluation evidence from Canada, Scotland and Australia shows that the introduction or raising of Minimum Prices has led to falls in alcohol consumption
- Data from Canada shows concurrent falls in alcohol-related harm
- Evidence from comprehensive Scottish evaluation shows that majority of suggested negative effects of Minimum Pricing have not come to pass to any significant extent
- Evaluation of health impacts in Scotland is still to come



Common objections

~~“Minimum Pricing targets moderate drinkers”~~

By targeting only cheap, higher-strength products, Minimum Pricing has little or no impact on the prices of alcohol consumed by most moderate drinkers, but is effectively targeted at the products most commonly drunk by heavier drinkers



Common objections

~~“Minimum Pricing is an attack on the poor”~~

Even moderate drinkers on lower incomes buy relatively little of the very cheap alcohol targeted by Minimum Pricing policies. More deprived heavier drinkers *are* more affected by Minimum Pricing, however those are the drinkers suffering the most harm, so exactly the people whose drinking we *want* to target to reduce harm *and* health inequalities



Common objections

~~“Minimum Pricing will damage the economy”~~

Minimum Pricing policies do reduce the total volume of alcohol sold, but this is offset by an increase in the average prices paid meaning little or no negative impact on the alcohol sector. Plus, reductions in alcohol harm and associated gains in economic productivity will accrue to all sectors of the economy



Common objections

~~“Minimum Pricing will waste government money”~~

Minimum Pricing is likely to reduce government revenue from alcohol taxes, however this will almost certainly be far exceeded by reductions in costs associated with alcohol harm (e.g. health care, policing, economic productivity)



Common objections

“Minimum Pricing will lead to an increase in unrecorded alcohol”

There is potential for increases in illicit consumption or production and/or cross-border trade. However, evidence to date does not suggest this is widespread. It may be appropriate to introduce complementary policies alongside Minimum Pricing to address unrecorded alcohol consumption



Common objections

“Minimum Pricing will increase alcohol industry revenue”

It is likely that introducing Minimum Pricing alone will increase revenue to alcohol producers and retailers. However, complementary use of taxation or other policies could be used to recoup some of this revenue, if desired



Common objections

“Dependent drinkers won’t change their drinking”

It is important to recognise that the majority of very heavy drinkers are not dependent and there is strong evidence that they *will* reduce their consumption when prices rise. However, dependent drinkers are a diverse group with complex needs. Evidence suggests that many of the fears for this group have been misplaced, however there is evidence of some unintended negative impacts. It is therefore important to consider additional support for this group alongside pricing policies.



Conclusions

- Minimum Pricing represents an effective approach to reduce alcohol consumption and harm.
- It's key appeal is the way in which it targets cheap high-strength products and therefore heavier drinkers
- It is not a 'silver bullet', but another effective tool in the policy maker's armoury to address alcohol harm
- It has the potential to work best in combination with other policies, both taxation and wider alcohol policies



Thanks for listening

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