

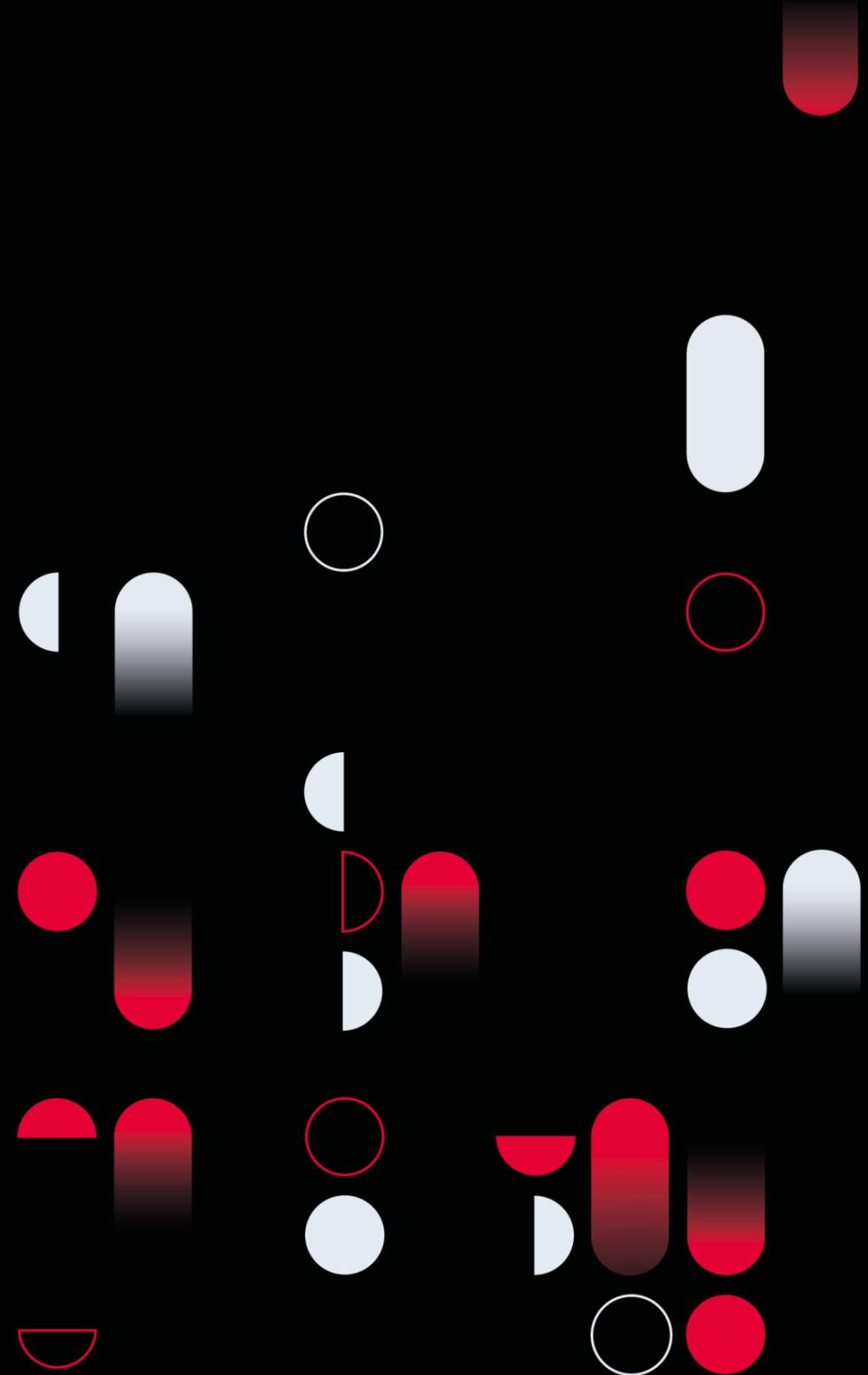
Minimum Prices and Alcohol Taxes

A WHO European Region Perspective

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on Minimum Pricing of Alcohol
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The Alcohol Beverage Market (No Ordinary Commodity)

A market rife with failures

- Externalities
- Internalities: harms on one's future self

information failures

risk perception failures

behavioural failures

manipulation and deception



Strong case for governments to modify market conditions, chiefly prices

Changing Market Prices through Government Intervention

- Price regulation
 - Minimum prices
 - Regulation of price promotions
- Fiscal policies (taxes)



WE NEED BOTH, if we are serious about tackling alcohol harms

Alcohol Taxes Can...

- Change the behaviour of consumers
 - By raising prices
 - By signalling risks
- Change the behaviour of businesses
- Address externalities
- Generate revenues that may be used to support public health action

Alcohol Price Regulation Can...

- Prevent the sale of alcohol at very low prices
 - Especially beneficial to those most vulnerable to alcohol harms
- Change the behaviour of businesses
- Address externalities

How Do We Ideally Want Alcohol Prices to Be?

- I. Do consumers purchase alcohol or alcohol beverages?
 - i. Low-price segment vs. high-price segment

- II. Price increases must be large enough to create incentives

- III. They must be designed to limit opportunities for unwarranted substitutions

A WHO EURO “Signature Initiative”

- Minimum tax share in alcohol beverage prices
- Equalise market prices per unit of alcohol across beverages



The best way to achieve the goals of the Signature Initiative is to combine carefully designed taxes and minimum price policies