



Which of these items is the cheapest?

Hint: It's not always the water

**Pre Budget Submission 2012**

Alcohol in Ireland

Finding the right measure



**alcohol action**  
ireland

the national charity for alcohol-related issues

[www.alcoholireland.ie](http://www.alcoholireland.ie)

## The following organisations support minimum pricing for alcohol:

- Barnardos
  - Focus Ireland
  - Rape Crisis Network Ireland
  - The Ballymun Local Drugs Taskforce
  - The Irish Cancer Society
  - The Irish Heart Foundation
  - The Irish Medical Organisation
  - The ISPCC
  - The National Youth Council of Ireland
  - The North West Alcohol Forum
- 

# €3.7 billion in avoidable alcohol-related health and crime costs

## Over €4 billion in austerity cuts

We need to:

- Restore excise duty to 2009 levels - earn the Exchequer €178 million in additional revenue
- Introduce minimum floor price for alcohol

## Five things you need to know about minimum pricing

It will not affect the price of drink in pubs, clubs and restaurants

It will not affect the majority of drinkers, only the heaviest and youngest drinkers

It will not lead to job losses

It will not influence rates of cross-border shopping

The minimum price of a drink is directly linked to the amount of alcohol it contains

### Crime Costs

Alcohol has been identified as a contributory factor in 97% of public order offences as recorded under the PULSE system

*(Hope, 2008)*



## Counting the Cost

Cheap alcohol in Ireland is fuelling a growing health and crime crisis that is costing us over €3.7 billion a year in health, crime/ public order and ancillary costs including workplace absenteeism. As the country faces into a significant period of budget austerity and cuts to frontline services in the region of €4 billion, it is important to remember that these €3.7 billion alcohol-related costs are avoidable costs.

According to the Chief Medical Officer of Ireland, a 30% reduction in alcohol-related harm would result in a cost saving to the Exchequer of €1 billion.

**‘A 30% reduction in alcohol-related harm would result in a cost saving to the Exchequer of €1 billion’**

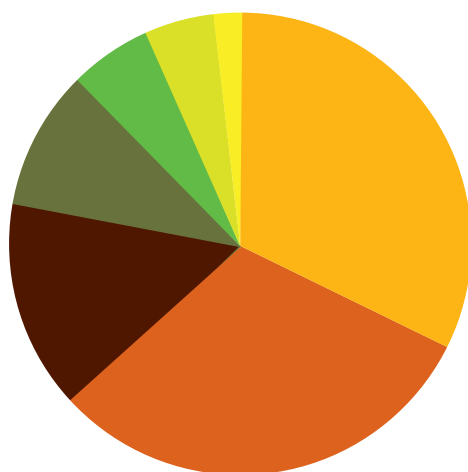
At a time when we need to do more with less, we cannot afford the current price of cheap alcohol – a woman can reach her low risk weekly drinking limit for €6.30 and a man for under a €10, the averaged equivalent of an hour’s work on minimum wage.

The financial burden of alcohol-related harm runs to an average of €3,318 for each taxpayer in Ireland – yet the previous government cut excise duties in Budget 2010 potentially depriving the country of €178 million in much needed tax revenue<sup>1</sup>.

Add this to the fact that the cost of €3.7 billion in alcohol-related harm represents 1.9% of GDP in Ireland, almost 50% more than the EU average of 1.3% of GDP.

On a wider economic level it is estimated that we lose €527 million a year in alcohol-related absenteeism and alcohol-related accidents in the workplace. Ireland relies heavily on external investment and is in direct competition with other lower cost base locations to attract this investment. What is the damage then to the “Ireland” brand when major financial media report on Ireland topping the European binge drinking league?

The alcohol industry often makes the point that any increase in excise on alcohol, or reduction in alcohol consumption, will be bad for the economy, causing job losses and lost revenue. This argument is based on the false assumption that money not spent on alcohol somehow disappears from the economy, rather than it being spent on other goods or services.



### Counting the Costs<sup>2</sup>

	€million	% of total costs
Alcohol-related illnesses	1,200	32%
Alcohol-related crime	1,189	32%
Alcohol-related road accidents	526	14%
Output lost due to alcohol-related absence from work	330	9%
Alcohol-related accidents at work	197	5%
Alcohol-related suicides	167	5%
Alcohol-related premature mortality	110	3%
Total	€3,719	100%

1. The figure is based on the Department of Finance’s Tax Strategy Group 2010 alcohol-related excise calculations

2. Counting the Costs figures from Byrne, S. (2010) Costs to Society of Problem Alcohol Use in Ireland. Dublin: Health Service Executive



## Health Costs

Alcohol currently costs the health service €1.2 billion a year, around 8.5% of the current health budget (€14bn). The Chief Medical Officer of Ireland recently outlined the impact of alcohol on the health services: alcohol is responsible for 100 deaths per month, 2,000 beds occupied every night in hospitals around the country, 30% of emergency department attendances and 7% of GP consultations. A 30% reduction in alcohol-related harms would save 30 lives per month and 600 overnight hospital admissions per day.

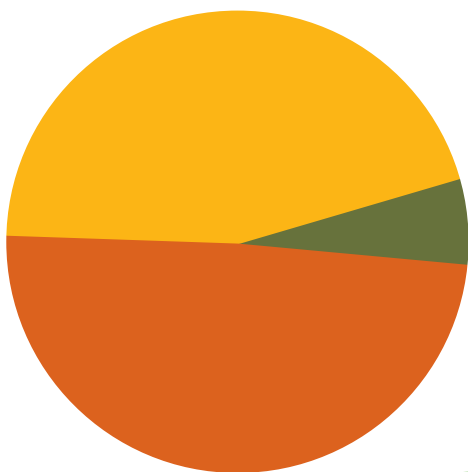
### Lives Lost

**One person dies every seven hours from an alcohol-related cause in Ireland**

**One in four deaths in young men (15-34) is due to alcohol**

**There are almost twice as many deaths due to alcohol in Ireland than due to all other drugs combined**

**Alcohol-related deaths almost doubled between 1995 and 2004\***



### Counting the Cost<sup>3</sup>: Health costs

Costs of hospital care to alcohol-related illnesses	€500 million	42%
Costs of GP and related services	€574 million	49%
Costs to mental health services	€104 million	9%
<b>Total Health Costs</b>	<b>€1.18bn</b>	<b>100%</b>

3. Counting the Costs figures from Byrne, S. (2010) Costs to Society of Problem Alcohol Use in Ireland. Dublin: Health Service Executive

\* Calculation based on number of overall alcohol-related deaths in Ireland; deaths in young men statistic taken from Chief Medical Officer's speech at Alcohol Action Ireland conference 2010; alcohol versus other drugs based on calculations from National Drug-Related Deaths Index; Mongan et al (2007) Health-Related Consequences of Problem Alcohol Use/ Health Research Board

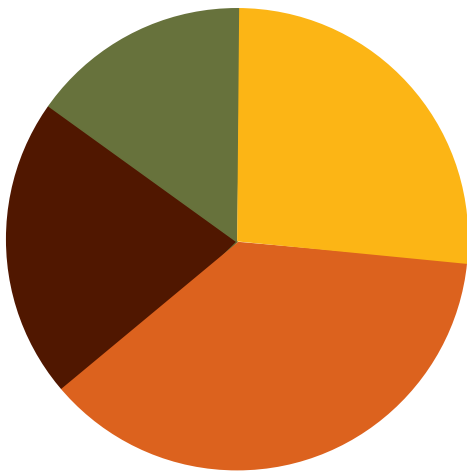
## Crime Costs

After alcohol-related health costs, alcohol-fuelled crime and public order costs are making the biggest dent in the public purse - with €1.2 billion of tax payers' money being spent on dealing with anti-social behaviour, violence and vandalism.

Of course, it is communities and families having to cope with this behaviour that are paying the heaviest price: 85% of the Garda Youth Diversion Projects put alcohol-related crime as first on the list of offences

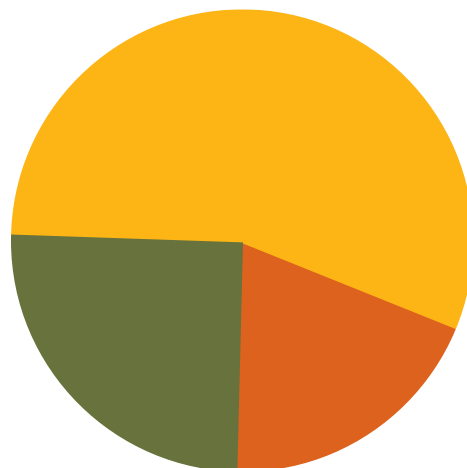
committed in their area<sup>4</sup>. Affordability and accessibility are two of the key factors fuelling alcohol-related youth crime.

**85% of the Garda Youth Diversion Projects put alcohol-related crime as first on the list of offences committed in their area**



### Counting the Cost<sup>5</sup>: Crime costs

	€million	
Total Costs of Crime in Ireland		
● Criminal justice system costs	319 million	27%
● Property/ health and victim services costs	435 million	37%
● Costs in anticipation of crime	264 million	22%
● Crime cost of lost productive output	171 million	14%
Total Crime Costs	1.19 billion	100%



### Counting the Cost<sup>6</sup>: Criminal Justice System Costs

● Cost of Garda Síochána resources devoted to alcohol-related crime	€191 million	60%
● Cost to prison service of alcohol-related crime	€51 million	16%
● Cost to the courts of alcohol-related crime	€77 million	24%
Total Cost of alcohol-related crime on Criminal Justice System	€319 million	100%

4. According to a 2009 study, Designing Effective Local Responses to Youth Crime by the Irish Youth Justice Service.  
5&6. Counting the Costs figures from Byrne's. S (2010) Costs to Society of Problem Alcohol Use in Ireland. Dublin: Health Service Executive



#### Price and Alcohol, what's the link?

There is robust and extensive evidence from the World Health Organisation to show that one of the most effective actions a government can take to reduce alcohol-related harms and costs is to increase the price of alcohol. According to the World Health Organisation - when price increases, consumption levels fall, leading to decreases in alcohol-related harms and costs. As already stated, a 30% reduction in alcohol-related harm would result in a cost saving to the Exchequer of €1 billion.

#### 'Alcohol in Ireland is 50% more affordable than it was fifteen years ago'

One of the myths surrounding alcohol in Ireland is that we have among the least affordable alcohol in Europe. Affordability factors in the relationship between price and disposable income. Ireland is one of six countries in the EU where alcohol has

become 50% more affordable than it was 15 years ago<sup>7</sup>. Furthermore alcohol prices in Ireland are falling while average prices are rising. According to Central Statistics Office figures, average prices rose by 2.6% in the year to September 2011, while alcohol prices fell by 1% in the same period.

As previously stated, a woman in Ireland can reach her low-risk weekly drinking limit of 14 units for just €6.30 and a man his low-risk weekly limit of 21 units for around €10. When offset against even the lowest paid in Irish society - an average social welfare payment of €180 or at €8.65 an hour minimum wage - then the affordability of alcohol becomes even more pronounced. A woman need only work an hour to earn enough money to buy her weekly low-risk alcohol limit.

'There is indisputable evidence that the price of alcohol matters. If the price of alcohol goes up, alcohol-related harm goes down'

World Health Organisation, 2009







In the retail sector cheap alcohol is being used as a draw by the big multiples in order to attract customers into their stores





## Pre Budget Submission 2012

### Alcohol in Ireland Finding the right measure

Large multiple retailers can sell alcohol very cheaply and can easily absorb tax increases by spreading additional costs onto other products. Small scale, independent retailers lose out because they cannot compete with the multiple retail giants. The consumer loses out because while it appears they might be getting a good deal financially at the till on alcohol, the retailers generally maximize their profits in other parts of the store on essentials such as food. What consumers' till receipts do not show is the alcohol-related crime and health costs of which each tax payer is picking up a €3,318 tab.

Therefore Alcohol Action Ireland, the national charity for alcohol-related issues, proposes two key recommendations for Budget 2012:

- **Restore excise duty to 2009 levels which could earn the Exchequer €178 million in additional taxes**
- **Introduce minimum floor price for alcohol**

### Restore Excise Duty to 2009 Levels

There are three key benefits to restoring excise duty to its 2009 level:

- An increased tax take will provide much needed revenue - estimated €178 million
- Increasing the price of alcohol has been proven both internationally, and in previous Irish budgets, to reduce alcohol consumption which in turn will reduce health and crime related costs

- Reducing consumption levels will reduce pressure on essential services – 30% A&E admissions are alcohol-related

The Department of Finance's Tax Strategy Group calculated the anticipated yield of a range of excise increases on alcohol products. Based on these 2010 estimates, a restoration of excise duties to 2009 levels could yield a total of €178 million.

An increase in excise duty complements a minimum pricing initiative. Large multiple retailers can absorb tax increases on alcohol and spread the costs across other products so that alcohol can still be sold relatively cheaply. Minimum pricing sets a floor price and cannot be undercut by loss-leading and below-cost selling.

### The price of alcohol influences the amount people drink

In 2009, the average Irish person aged 15+ drank 11.9 litres of pure alcohol, according to provisional data. That's the equivalent of about 45 bottles of vodka or 125 bottles of wine. Given that one in five Irish adults don't drink, the amount consumed per drinker is actually a lot more.

## Reduced excise duty on alcohol increases consumption

In December 2001, excise duty on cider was subject to a significant increase, and cider sales in the following year fell by 11.3%.

In December 2002 there was an increase in excise duty on spirits - spirits consumption dropped by 20% in the following year which caused an overall drop in alcohol consumption of 6%: the first drop in alcohol consumption in Ireland in 16 years.

Budget 2010 cut excise rates on alcohol by around 20% with a resulting rise in alcohol consumption, from 11.3 litres in 2009 to 11.9 in 2010.

This was the first significant increase since 2001.

## Time for a change

Contrary to popular belief, there have been very few increases in the excise rate in the past couple of decades:

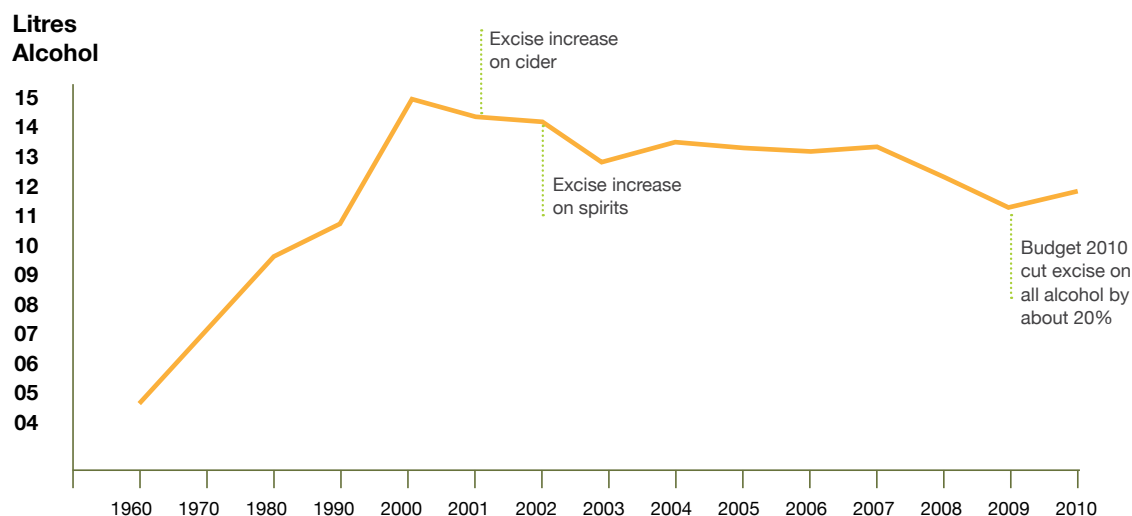
- **January 1994** The most recent excise increase on beer<sup>8</sup>
- **December 2001** The most recent excise increase on cider
- **December 2002** The most recent excise increase on spirits
- **October 2008** The most recent excise increase on wine

Budget 2010 cut excise on all alcohol by about 20%

## Declining Value of Excise Duty

The real value of excise duty rates (as a percentage of retail price) on beer, wine and whiskey has declined since 2000 due to ongoing trade led price increases and also because excise duties are set at a specific amount rather than as a percentage of price.

## IMPACT OF EXCISE CHANGES ON CONSUMPTION



8. October 2008 saw the introduction of a new 50% lower rate for cider and beer of less than 2.8% alcohol strength by volume



#### Minimum Pricing - rejecting alcohol at 'pocket money' prices

##### **Five things you need to know about minimum pricing**

It will not affect the price of drink in pubs, clubs and restaurants

It will not affect the majority of drinkers, only the heaviest and youngest drinkers

It will not lead to job losses

It will not influence rates of cross-border shopping

The minimum price of a drink is directly linked to the amount of alcohol it contains

Alcoholic liver disease rates and deaths almost trebled between 1995 and 2007. Among the 15-34 year age group, the rates and deaths increased by 247%

More than half of Irish adults are drinking in a way which is already causing damage to their health – that's 7 in 10 men and 4 in 10 women who drink

*(SLAN 2007, Department of Health)*

**'Over half of Irish adults say they would support minimum pricing'**

Minimum pricing is a targeted way of ensuring that alcohol cannot be sold at a cheap price. A minimum price is the lowest price at which an alcohol product can be sold, the cost of a product based on the number of alcohol units/grams of alcohol it contains. Put simply, the more units/grams of alcohol in a bottle, the stronger it is, and therefore, the higher the price. Minimum pricing will primarily affect heavy drinkers (i.e. those that drink most), as well as children and young people who are more likely to consume the cheapest alcohol. Minimum pricing policy has popular support with over half of Irish adults saying they would support such a measure<sup>9</sup>.

9. Alcohol Action Ireland commissioned market research firm Behaviour and Attitudes to carry out a nationally representative survey consisting of 1,000 participants. The survey showed a 55% support for a minimum pricing initiative (field work was carried out in September 2011)

## Hospital and GP Costs

10% of general inpatient hospital costs, 14% of psychiatric hospital costs, 7% of GP costs and up to 30% of emergency costs are alcohol-related



## Minimum pricing and below cost selling – what's the difference?

The drinks industry is fragmented in its approach to pricing. Some segments are calling for a ban on below cost selling. Others, such as the Vintners Federation of Ireland, the most employment intensive sector of the industry in Ireland, support minimum pricing.

### Below cost selling

No agreed definition of how to calculate and define cost price

Not clear if a ban would be sufficient to reduce alcohol consumption as it still allows alcohol to be sold very cheaply

Unit cost to retailer can vary depending on a number of factors

Difficulties in monitoring compliance and securing convictions for below-cost selling was a key reason behind the repeal of the Groceries Order in 2006

The price is not linked to the strength of a drink – it does not relate to the number of units/grams of alcohol the drink contains

### Minimum pricing

Price simple to calculate, enforce and monitor

A minimum price can be calculated so as to have an impact on alcohol consumption – it can also be adjusted as factors affecting its impact change

Affects people directly in relation to how much they drink





## Health Costs

One in 10 cancers in men  
and one in 33 in women  
are caused by drinking

Each night, 2,000 hospital  
beds are occupied for  
alcohol-related reasons





#### Minimum pricing will have least impact on moderate drinkers

By definition, they drink less. Moderate drinkers tend not to buy the cheapest products.

Banning below-cost selling by itself while sounding like a sensible policy initiative is recognized as being unworkable because of varying cost-base calculations, resulting in implementation difficulties. A ban on below cost selling would not achieve the goal of reducing alcohol-related harm and the associated costs as a ban on below cost selling would still allow alcohol to be sold very cheaply - especially if combined with another excise duty cut, which would reduce the cost base even further. In other words, these policies are contradictory.

#### Minimum pricing won't affect jobs

The drinks industry provided 50,000 full time equivalent jobs in 2010. Minimum pricing will have no impact on jobs. In fact, it could serve to protect jobs in small businesses by creating a level playing field with the retail giants who use cut-price alcohol to attract customers to their supermarkets rather than buying alcohol from independent off-licences.

The Vintner's Federation of Ireland, which represents the most employment intensive segment of the industry, supports minimum pricing.

#### Minimum pricing will have no impact on pub prices

or the price of alcohol in other licensed premises such as restaurants and clubs – minimum pricing brings up the price of the cheapest drink and so only affects the price of cheap alcohol sold in the off-trade, such as supermarkets. The vast majority of drinks sold in

pubs and licensed premises is sold at a price well above the level a minimum price is likely to be set.

#### Minimum pricing will not influence rates of cross-border shopping

The key factor driving cross-border shopping is the Sterling differential.

**'By adopting these proposals, Government can choose to save frontline services, to cut the costs to our health and justice systems, to cut workplace costs to the state and employers, and to cut the cost of our emergency and policing services'**

#### Summary

Government has a particular responsibility in tackling the damage caused by alcohol use and in reducing the cost of that damage. By adopting these proposals, Government can choose to save frontline services, to cut the costs to our health and justice systems, to cut workplace costs to the state and employers, and to cut the cost of our emergency and policing services. These measures will provide a cost-effective return in a short time frame and may also contribute to protecting jobs.

Can we really afford to run an alcohol-related bill of €3.7 billion in avoidable costs when frontline health services are going to have to close due to funding cuts – it's a question for all of us but it is politicians that will ultimately have to come up with the answer.

# The Case for Minimum Pricing





## Getting the facts right on minimum pricing

The rise in alcohol-related harms and costs is linked to the increased availability, affordability and marketing of alcohol. Price is a key driver in the consumption of alcohol. This briefing sets out the case for minimum pricing, spells out the facts and dispels the myths and misinformation.

## What is minimum pricing?

Minimum pricing is the lowest price at which an alcohol product can be sold, the cost of a product based on the number of units/grams it contains. To put it simply, the more units/grams of alcohol in a bottle, the higher the price. As such, minimum pricing affects people directly in relation to how much they drink. This means that minimum pricing will primarily affect heavy drinkers (i.e., those that drink most), as well as children and young people who are more likely to consume the cheapest alcohol.

Minimum pricing will have the least impact on moderate drinkers, as, by definition, they drink less and they tend not to buy the cheapest products.

## Why won't banning below cost selling of alcohol work?

There is no agreed definition of below cost selling in Ireland, nor is there an agreed formula for calculating cost price. Also, cost prices can change over time as well as differences in wholesale price across retailers, depending on discounts for bulk purchasing, product placement and promotions and other such arrangements. Working out the cost price of alcohol would be a complex and costly exercise, making a ban on below cost selling of alcohol almost impossible to implement, monitor and enforce.

By contrast, the operationalisation of minimum pricing would be simple, as the cost of a drink can be calculated using the simple formula:

$$\begin{array}{l} \times \quad \text{minimum price per unit/gram} \\ \quad \quad \text{number of units/grams in drink} \\ \hline = \quad \text{price} \end{array}$$

As such, fewer resources would be needed to administer, implement, monitor and enforce a minimum pricing policy.

Some of the commentators calling for a ban on below cost selling are, in fact, calling for a ban on selling alcohol below the total taxation on a drink. i.e., below VAT plus excise. This is not the same as below cost selling as cost price (which can include costs such as manufacture, packaging, transport, etc.) has not been included in the price of the drink.

A ban on below cost selling would still allow alcohol to be sold very cheaply - especially if combined with another excise duty cut, which would reduce the cost base even further. In other words, these policies are contradictory.

## Why do we need minimum pricing now?

Reducing current levels of alcohol-related harms and costs is good news for the taxpayer. The estimated cost of alcohol was €3.7 billion in 2007, that's an average alcohol-related tax burden of €3,318 on each person paying income tax in Ireland. Alcohol-related harms cost the healthcare system €1.2bn, while alcohol-related crime costs €1.2bn.

The massive drop in the relative price of alcohol alongside the liberalisation of licensing laws which led to an increase in outlets selling alcohol has fuelled a growing health crisis. The real price of a drink in Ireland has decreased dramatically due in a large part to the rise in incomes, making alcohol 50% more affordable than it was in 1996.

Alcohol has also become more available and is sold in more outlets than ever before. Increased availability has increased competition between alcohol retailers, mostly in the off-trade sector. Cut price alcohol is often used as a draw, to attract customers into supermarkets and shops. At current prices, it's possible for a woman to reach her weekly limit for low risk drinking for just €6.30 a week while a man can reach this limit with a spend of less than €10. The rise in the availability of alcohol alongside a drop in price has led to vast increases in alcohol-related harms and costs.

## CHEAP ALCOHOL: THE REAL COSTS

- More than half of Irish adults report a harmful drinking pattern – that's 7 in 10 men and 4 in 10 women who drink (SLAN 2007, Department of Health)
- Between 1995 and 2004:
  - alcohol-related hospital discharges increased by 92%
  - alcohol-related mortality almost doubled
- Between 1995 and 2003, there was an 85% increase in the number of hospital discharges with alcohol-related intentional injuries
- Between 1996 and 2002, public order adult offences increased by 247%
- Between 1996 and 2005 juvenile offences of intoxication in a public place increased 12 fold

The cost of alcohol to the Irish economy outweighs the benefits. If we are to reduce the costs of our alcohol use, we need to reduce the levels of alcohol consumed – this can be best achieved by tackling the price. Alcohol is not an ordinary grocery or commodity and should not be treated as one.

## How does it work?

Minimum pricing targets the sale of alcohol at pocket money prices by fixing a minimum price per unit/gram at which alcohol can be sold. A different minimum price per unit/gram can be set for alcohol sold in the on and off trades. Minimum pricing brings up the price of the cheapest alcohol, while having little or no impact on the price of other alcohol.

**‘Minimum pricing brings up the price of the cheapest alcohol, while having little or no impact on the price of other alcohol’**

**But isn't Ireland one of the most expensive countries in the EU for alcohol?**

This is probably one of the greatest myths about alcohol in Ireland. The RAND report commissioned by the DG SANCO (European Commission's Department of Health) for the European Alcohol and Health Forum found that Ireland was one of six countries in the EU where alcohol has become over 50% more affordable than it was in 1996. Furthermore, alcohol prices in Ireland are falling while average prices are rising making alcohol relatively cheaper. According to Central Statistics Office figures, average prices rose by 2.6% in the year to September 2011, while alcohol prices fell by 1% in the same period.

**‘According to Central Statistics Office figures, average prices rose by 2.6% in the year to September 2011, while alcohol prices fell by 1% in the same period.’**





## Pre Budget Submission 2012

Alcohol in Ireland  
Finding the right measure



**SPECIAL OFFER**

“In 2009, the average Irish person drank 11.9litres of pure alcohol a year: the equivalent of 45 bottles of vodka or 125 bottles of wine. The figure in reality is probably higher again



Alcohol-related crime costs  
the Irish State almost  
€1.2 billion a year

*(Byrne, 2010)*





#### How will increasing the price of the cheapest drink make any difference to how much people drink?

The price of alcohol is directly linked to how much people drink. When price increases, consumption levels fall. Increased alcohol prices reduce consumption leading to decreases in alcohol-related harms and costs.

The World Health Organisation's (2009) review of 32 alcohol policy measures found that alcohol policies most effective in reducing alcohol related harms and costs are policies which put controls on price and availability, drink driving laws and brief interventions.

Minimum pricing policy increases the price of the cheapest drink, which is the drink that tends to be purchased by heavy drinkers as well as young drinkers. As such, this pricing policy has little impact on those who drink within low-risk weekly limits. Those weekly limits are 14 units for a woman and 21 for a man.

#### 'The price of alcohol is directly linked to how much people drink'

#### What is the link between the amount we drink and the damage from drink?

There is a direct relationship between the level of alcohol consumed in a country and the levels of alcohol-related harms and costs. Increased alcohol prices reduce consumption which will lead to an attendant decrease in alcohol-related harms and costs.

**'There is a direct relationship between the level of alcohol consumed in a country and the levels of alcohol-related harms and costs'**

#### Why doesn't the Government just increase tax on alcohol?

Large multiple retailers can afford to sell alcohol at extremely cheap prices and have the capacity to easily absorb tax increases by putting these increases on to other products. Minimum pricing sets a floor price and cannot be undercut by loss-leading and below-cost selling.

#### But won't the large supermarkets make a lot of money if minimum pricing is introduced?

Large supermarkets who sell a lot of alcohol at cut-price will make the biggest relative financial gains from customers as a result of a minimum pricing policy. It is for this reason that the introduction of minimum pricing needs be considered alongside an increase in excise duty so as to ensure the transfer of some of this revenue to government.

#### Will minimum pricing have a disproportionate impact in people on low incomes?

The simple answer is this will depend on how much alcohol someone buys. Minimum pricing, by definition, impacts most on those that drink the most. As we already know, a man can reach his low-risk weekly limit for less than €10 and a woman for €6.30 – around an hour's work on minimum wage. If

someone is buying cut-price alcohol and still drinking at moderate levels, i.e.; low risk weekly limits, they will experience a slight increase in how much they pay for alcohol.

It is important to remember that alcohol is not an ordinary grocery like bread or milk, it is a luxury good. It is also important to remember that people on low incomes suffer a range of health inequalities - i.e.; nutrition, education, access to healthcare contingent on ability to pay - that alcohol-related harms can further exacerbate.

## At what level should a minimum price be set?

A minimum price needs to be set at a level the evidence indicates will reduce the burden of harm from alcohol use. To do this will require an analysis of the market, alcohol consumption and expenditure patterns, among other data sets such as health and crime data.

To maintain effectiveness, a minimum price will need to be reviewed on a regular basis and adjusted when necessary to maintain its value in line with inflation.

## Who wins? Who benefits from minimum pricing?

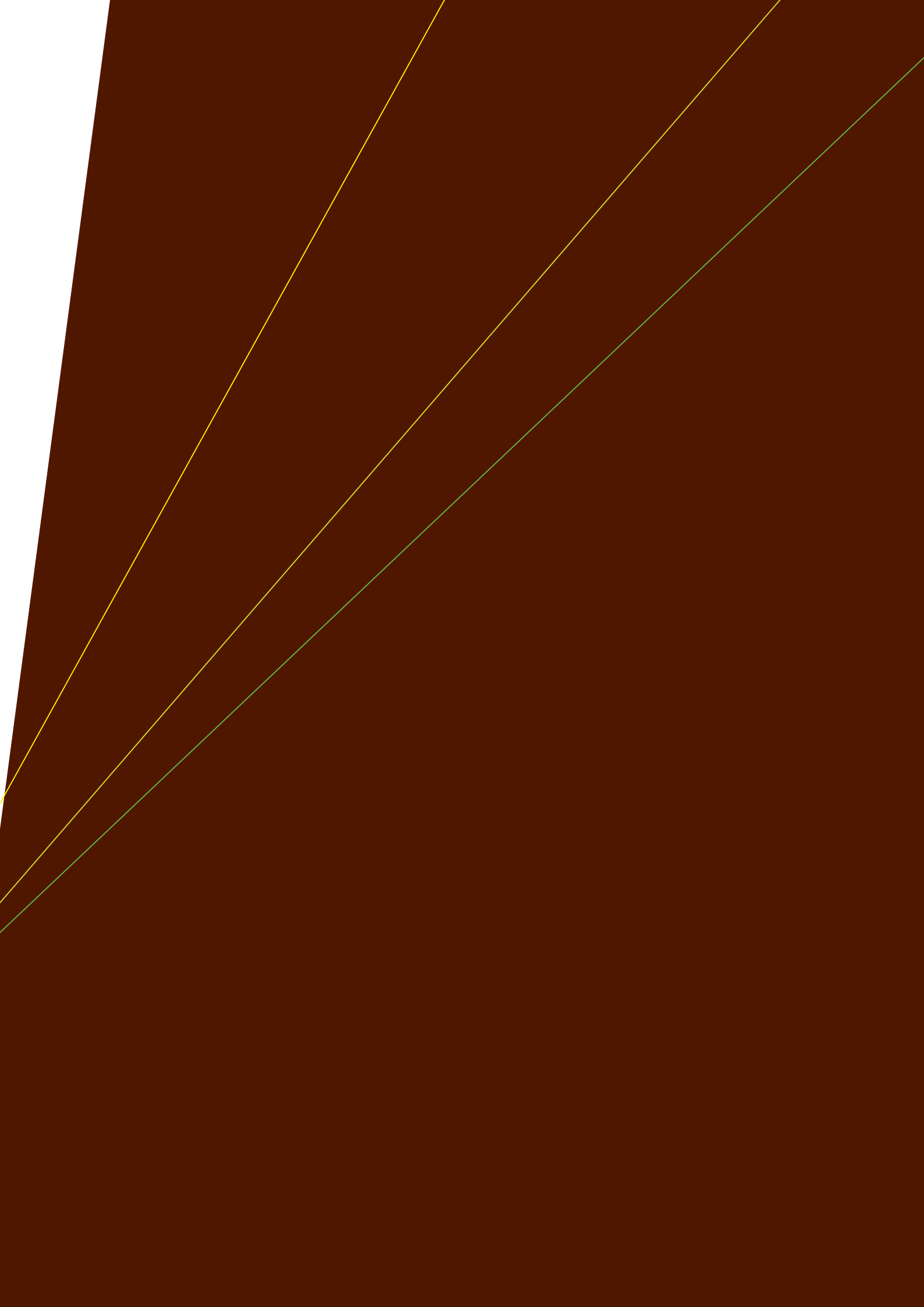
The benefits of minimum pricing resulting in a reduction in consumption and associated alcohol-related harms are numerous. These include:

- Decreases in workplace absences
- Decrease in violent crime
- Reductions in crime and public order offences involving children and young people and in the cost of responding to same
- Reduction in social and health harms and costs for the drinker and those around them
- Large retailers cannot simply absorb price increases as can happen with other pricing policies

## The benefits reach a diverse range of stakeholders:

- Moderate drinkers, i.e. those who drink within low risk limits, are least affected
- Heavy drinkers, along with children and young people, are particularly affected
- Small, independent retailers and off-licences put on a level playing field with large multiple retailers
- It is likely that the decline in the volume of alcohol sales will be more than offset by the unit/gram price increase resulting in an overall increase in profit for retailers
- Large retailers can raise alcohol prices to the minimum price without running the risk of losing customers to competitors\*

\*Based on University of Sheffield research on minimum pricing commissioned by the Scottish Government (2009)



**THE REAL PRICE  
OF CHEAP ALCOHOL  
- YOUR BILL**

Average cost to the Irish  
taxpayer = €3.318

Cost to the state = €3.7 billion

Cost to the healthcare system  
= €1.2 billion

Crime costs = €1.2 billion

Road collisions = €526 million

Lost output due to work  
absences = €330 million

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**alcohol action**  
ireland