**Does minimum unit pricing (MUP) mean you won’t be able to buy a can of beer for less than €2 or a bottle of wine for less than €8?**

MUP does not set the same floor price for all products of a similar nature, such as cans of beer or bottles of wine.

MUP is able to target cheaper alcohol relative to its strength because the price is determined by and directly proportionate to the amount of pure alcohol in the drink.

This means that the price of individual products depends on how ‘strong’ they are. For example, the Department of Health has provided examples which show that with the proposed MUP of €1:

         A 500ml can of Guinness (4.2% ABV, 16.57 grams of alcohol) would have an MUP of €1.66.

         A 500ml can of Dutch Gold (4% ABV, 15.78 grams of alcohol) would have an MUP of €1.58.

         A 500ml can of Devil’s Bit Cider (6% ABV, 23.67 grams of alcohol) would have an MUP of €2.37.

         A 440ml can of Tesco lager (3.8% ABV, 13.19 grams of alcohol) would have an MUP of €1.32.

         A 750ml bottle of Jacob’s Creek Classic Chardonnay (12.7% ABV, 75.15 grams of alcohol) would have an MUP of €7.52.

         A 750ml bottle of Vineyards Chenin Blanc (12.5% ABV, 73.97 grams of alcohol) would have an MUP of €7.40.

         A 700ml bottle of Smirnoff Ice (4% ABV, 22.09 grams of alcohol) would have an MUP of €2.21.

         A 700ml of Huzzar Vodka (37.5% ABV, 207.11 grams of alcohol) would have an MUP of €20.71.

In pubs, the proposed MUP of €1 would mean:

         A pint of Heineken (5% ABV, 22.49 grams of alcohol) would have an MUP of €2.25.

         A pint of Budweiser (4% ABV, 17.99 grams of alcohol) would have an MUP of €1.80.

         A pint of Bulmers (4.5% ABV, 20.24 grams of alcohol) would have an MUP of €2.02.

         A measure of Jameson whiskey (40% ABV, 11.2 grams of alcohol) would have an MUP if €1.12.

         A measure of Smirnoff Vodka (35.5% ABV, 10.5 grams of alcohol) would have an MUP of €1.05.

A MUP is not a tax and it does not set a price an alcohol product must be sold at, it simply sets a level beneath which an alcohol product cannot be sold, and that level is determined by the amount of pure alcohol in that particular product.

As well as providing a financial incentive for consumers to choose lower-strength alcohol products, which will benefit their health, a MUP also provides an incentive for the alcohol industry to produce lower-strength alcohol products, which will benefit public health.

**Will MUP mean alcohol will be more expensive for everyone?**

MUP sets a ‘floor price’ beneath which alcohol cannot legally be sold, but will not increase the price of all alcohol products sold in Ireland, instead targeting the products that are currently very cheap relative to their strength in the off-trade.

MUP is based on the amount of pure alcohol in a product, measured in grammes. One standard drink in Ireland contains 10 grammes of alcohol and the Public Health (Alcohol) Bill provides for an MUP of €1 per standard drink.

The MUP of €1 will not affect the ‘price of a pint’, or the price of any alcohol products in pubs, clubs and restaurants in Ireland. It will also not affect the price of all alcohol sold in the off-trade, but primarily the products that are very cheap relative to their strength.

An analysis conducted for the Department of Health found that, with a €1 MUP, across the whole population, just over a third (37.5%), of alcohol purchased would be affected. However, the proportion and number of drinks affected is much higher for those who drink in a high-risk manner as high-risk drinkers buy significantly more of their alcohol below the level of a €1 MUP than those who drink in a low-risk manner.

The analysis states that MUP would only have a small impact on the alcohol consumption of those who drink in a low risk manner, increasing in line with how much a person drinks, with those who drink in a high-risk manner experiencing a significant reduction in their alcohol consumption (15.1% with a €1 MUP, compared to just 3.1% for low-risk drinkers).

**Would a MUP benefit health?**

MUP is a targeted measure, designed to stop strong alcohol being sold at very low prices in the off-trade, particularly supermarkets, where alcohol products are frequently used as a ‘loss leader’ and sold below cost.

The easy and widespread availability of very cheap, strong alcohol is a major contributory factor to alcohol harm in Ireland. The targeted approach of MUP is important as the strongest, cheapest alcohol products are those generally favoured by the heaviest drinkers among us, who are most at risk of alcohol-related illnesses and death.

These strong, cheap alcohol products are also favoured by our children and young people, who generally have the lowest disposable incomes, are very price-sensitive and have the highest levels of both harmful and dependent drinking in Ireland, putting their health and wellbeing at great risk.

It has been estimated that with a €1 MUP, alcohol-attributable deaths would be reduced by approximately 197 per year in Ireland after 20 years, by which time the full effects of the policy will be seen, due to the time-lag involved with many serious alcohol-related illnesses, such as liver cirrhosis and alcohol-related cancers.

We would also see almost 6,000 fewer hospital admissions per year, a reduction in alcohol-fuelled crime and workplace absences, while the total societal value of these reductions in health, crime and work place harms is estimated at €1.7 billion.

Research findings on the minimum pricing systems operating in Canadian provinces shows the effectiveness of a MUP in reducing alcohol consumption and related harms. In British Columbia a 10% increase in the minimum price was associated with a 32% fall in wholly alcohol related deaths and decreases of 19% in alcohol-related traffic offences and 9% in crimes against the person.

**Wouldn’t a ban on below-cost selling would be more effective than MUP?**

Existing proposals for a ban on below cost selling of alcohol cannot effectively target strong, cheap alcohol and will therefore fail to address the health harms associated with its consumption.

MUP is able to target cheaper alcohol relative to its strength because the price is determined by and directly proportionate to the amount of pure alcohol in the drink. This means that the price of individual products depends on how ‘strong’ they are.

A MUP does not set a price an alcohol product must be sold at, it simply sets a level beneath which an alcohol product cannot be sold, and that level is determined by the amount of pure alcohol in that particular product.

An analysis conducted for the Department of Health found that a ban on below-cost selling, defined as the combined amount of excise duty and VAT on an alcohol product, would have ‘almost no impact’ on population consumption, health outcomes, or crime.

One of the key issues with using taxation as basis for a ban on below cost selling, particularly given the rapid and continued growth of wine consumption in Ireland, is that unlike beer and spirts, excise is applied to the vast majority of wine on the basis of the volume of the bottle, not the alcohol content within it.

EU Directives on the taxation of alcohol products prevent the excise duty on wine and cider from being linked as directly to its alcohol content as with beer and spirits, which have tighter, defined excise categories. Therefore, a bottle of wine with an ABV of 8% carries the same excise duty as a wine with an ABV of 14%.

Excise therefore cannot be used as an effective base to target those products that are cheap, relative to the strength of their alcohol content, as MUP can. Changing the structure of alcohol taxation can only be done through the unanimous agreement of all EU member states.

In any event, as reflected in the analysis conducted for the Department of Health, many of the cheapest alcohol products are already in or around this level of pricing already and so a ban on below cost selling devised on this basis would have ‘a negligible  impact  on  alcohol consumption or related harms’.

Defining cost as just a combination of excise duty and VAT also means ignoring the manufacturing, transportation and retail costs associated with the product. In other words, it is not a true reflection of the total costs.

Working out a cost price of alcohol, that incorporates all of these contributing costs, would be a complex and expensive exercise, making such a ban on below-cost selling of alcohol almost impossible to implement, monitor and enforce – as well as an ineffective approach to reducing alcohol harm.

**Will MUP be unfair to poorer people? (The issue of alcohol pricing and health inequalities is addressed in detail on pages 25-29 of** [**Alcohol Action Ireland’s Pre-Budget Submission**](http://alcoholireland.ie/download/publications/Pre-Budget-Submission-2017.pdf)**)**

Poorer people in Ireland are unfairly treated in a number of ways and one of these is that they suffer a disproportionate burden of alcohol harm, despite similar levels of alcohol consumption to those who are more affluent.

The Department of Health has said that while alcohol harm affects all social groups in Ireland, ‘the greater harm is experienced by marginalised and deprived groups’. For example, alcohol misuse is the main reason for 13% of people becoming homeless.

The Department of Health has pointed out that alcohol-related hospital admissions in Ireland are significantly biased towards the poor and disadvantaged.

The Healthy Ireland 2015 survey confirmed that though there are higher levels of abstention and lower overall levels of alcohol consumption in more deprived areas and lower social classes, there are also higher levels of binge drinking among those who drink, which is a major driver of alcohol harm.

It is clear from the same survey that poorer people in Ireland are also suffering from greater combined health challenges, such as significantly higher levels of smoking and obesity than their more affluent counterparts.

The lifestyle factors together can have multiplicative effects on risks of wholly (e.g. alcoholic liver disease) and partly (e.g. cancers) alcohol-related conditions and therefore further exacerbate the already serious effects of alcohol harms.

The Irish Cancer Society, which backs MUP, has pointed out that death rates from cancers in some of the poorest parts of Dublin are twice as high as rates in more affluent areas. As with other serious illnesses, access to healthcare a key issue in poorer communities, along with less awareness of the health risks of certain behaviours.

However, it’s not just those drinking in poor communities that suffer more – those around them do too, with children most vulnerable. A HSE report found that those from lower social classes are more vulnerable to harm form others, particularly within the family. It states that: ‘those from lower social classes are more vulnerable to family problems due to others’ drinking, contributing to the health inequality gap’.

An analysis of the impact of an MUP on drinkers in poverty was examined by an analysis conducted for the Department. It found that almost one third (29.8%) of those in poverty are non-drinkers compared to one in five (20.3%) of those not in poverty. Amongst low risk drinkers, those in poverty also consume slightly less standard drinks per week compared to those not in poverty.

Therefore, those people in poverty contains a disproportionate number of people who will be wholly or largely unaffected by the direct impacts of MUP due to their abstinence or relatively low alcohol consumption.

The analysis found that MUP has a greater relative impact on drinkers in poverty as they tend to buy more products from the cheaper end of the spectrum, but that those in poverty would also see a greater benefit in terms of reductions in consumption and alcohol harm.

Alcohol consumption amongst low-risk drinkers in poverty and not in poverty respectively would fall by just an estimated 0.5 standard drinks (i.e. ¼ of a pint of beer) and 0.1 standard drinks per week respectively with an MUP of €1, while the corresponding figures for high-risk drinkers are 10.4 standard drinks (in poverty) and 9.25 standard drinks per week (not in poverty), reflecting the targeted nature of MUP and its ability to reduce consumption among high-risk drinkers, regardless of income levels.

However, it was found that the greater fall in alcohol consumption amongst drinkers in poverty will also lead to greater reductions in alcohol-related health harms, with greater estimated reductions in both deaths and hospital admissions for drinkers in poverty compared to those not in poverty.

The greater health benefits of MUP for drinkers in poverty suggest the policy may also contribute to the reduction of health inequalities, a key goal of the Healthy Ireland framework, which the Public Health (Alcohol) Bill is part of. Public health measures that target the entire population, such as MUP, also benefit those vulnerable groups in society who are not in regular contact with the health services or may be unaware of the need to reduce their alcohol consumption.

Those working on the ground to reduce alcohol and other substance misuse issues in communities, such as the Family Support Network, Pavee Point, Ballymun Local Drugs & Alcohol Task Force, Finglas/Cabra Drug and Alcohol Task Force, Tallaght Drug and Alcohol Task Force, Community Awareness of Drugs, and the Alcohol Forum are all backing this legislation as it will support their ongoing efforts to improve health, wellbeing and the lives of all those living in Ireland.