

The Potential Impact on Irish Media of the Public Health (Alcohol) Bill 2015

**A Report Prepared by Jim Power
Economics Limited for the Irish Media
Industry**

June 2017

EXECUTIVE SUMMARY

- There is general agreement that excessive alcohol consumption is not good for health and that it imposes considerable economic and social costs on society. Consequently, many governments around the world actively seek to reduce the consumption of alcohol, with a particular emphasis on excessive consumption of alcohol and youth exposure to it.
- The Public Health (Alcohol) Bill 2015 is a broad ranging bill that seeks to reduce dangerous alcohol consumption and achieve desirable public health objectives.
- The Bill places considerable emphasis on issues around the advertising of alcohol products. Specifically, it seeks to ‘provide for restrictions in relation to the advertising and sponsorship of alcohol products, to provide procedures in relation to the exposure for sale and advertising of alcohol products in specified licensed premises’. It also proposes Minimum Unit Pricing of Alcohol, which would prohibit the sale of alcohol below a certain price per unit. While issues such as minimum unit pricing make sense, it is not clear on a cost-benefit basis if the proposed measures in relation to advertising will achieve the desired objectives.
- It is widely accepted that excessive consumption of alcohol is dangerous and imposes significant costs on society. These costs include the implications for the healthcare system treating alcohol related diseases such as liver cirrhosis, cancer and the victims of violence caused by alcohol; the implications for the legal system through policing, court costs, anti-social behavior and imprisonment; and economic costs through loss of work days due to alcohol abuse. The World Health Organisation (WHO) estimates that the harmful use of alcohol causes an estimated 2.5 million deaths globally per year and that alcohol use is the third leading risk factor for poor health globally.
- International research does not provide conclusive evidence that a ban or severe restrictions on advertising of alcohol would achieve the desired effect of reducing the consumption of alcohol and particularly consumption amongst young people. It is far from certain that an evidence base exists to justify a ban or significant restrictions on advertising as contained in the Public Health (Alcohol) Bill 2015. Hence, it is very questionable if the benefits to be derived from a ban on advertising would outweigh the costs.
- The benefits of such restrictions might be to reduce consumption of alcohol; the costs would mainly be seen through the reduction in revenues for media and the accompanying consequences.

- Ireland already has a strong regime in place to restrict the advertising and marketing of alcohol, and the voluntary code of conduct is very rigid and is supported by all relevant media bodies. By imposing the proposed new regulatory regime, the revenue tap for media will be turned off and media will suffer as result. The proposed changes will most likely lead to fewer advertisements, which will result in less finance for professional Irish media content, and the result is likely to be job losses and less consumer choice.
- It is estimated that the proposed measures would cost the out of home media industry around €11 million per annum; broadcasting media €7 million and print media €2 million per annum.
- The latest data on alcohol consumption from the WHO (Table 1) show clearly that alcohol consumption in Ireland is on a declining trend. In 2005, Ireland had the 9th highest level of alcohol consumption per capita in the EU at 14.41 litres of pure alcohol per capita. In 2016, Irish consumption had reduced to 10.9 litres per capita, a decline of 24.4%, placing the country 18th in the EU.
- The ESPAD report shows that for students in Ireland aged 15 to 16 years old, the lifetime use of alcohol declined by 15% between 1995 and 2015. In Ireland 35% of students in 2015 had consumed alcohol in the previous 30 days, which compares to an EU average of 48%; and 28% had engaged in heavy episodic drinking in the previous 30 days, which compares to an EU average of 35%.
- These declines have occurred in the absence of the draconian advertising measures contained in the Public Health (Alcohol) Bill 2015.
- Notwithstanding improving trends, there is still a significant problem with alcohol consumption in Ireland. The below cost selling of alcohol in Irish supermarkets and off-licences is not helping the situation and does increase alcohol consumption, particularly amongst young people and those with serious alcohol addiction. The inclusion of minimum unit pricing in the Public Health (Alcohol) Bill 2015, which proposes a minimum price per gram of alcohol of €0.10, is a constructive initiative.
- Education about the impact of alcohol is also very important because it is clear that Ireland has a societal issue with alcohol and it is and always has been ingrained in Irish life. Ireland does have an unhealthy relationship with alcohol. A greater focus in the educational system from an early age pointing out the dangers of alcohol must be given greater priority.

INTRODUCTION

There is general agreement that excessive alcohol consumption is not good for health and that it imposes considerable economic and social costs on society. Consequently, many governments around the world actively seek to reduce the consumption of alcohol, with a particular emphasis on excessive consumption of alcohol and youth exposure to it.

Alcohol policy describes any purposeful effort or authoritative decision on the part of governments to minimise or prevent alcohol-related consequences.¹ Such a policy could include taxation and pricing, regulating the physical availability of alcohol, drink-driving legislation, education programmes aimed at highlighting the dangers associated with alcohol, increased availability of treatment programmes, and the regulation of the advertising and marketing of alcohol.

This study focuses specifically on the regulation of advertising and marketing of alcohol. There is widespread disagreement in the literature and elsewhere about the cost effectiveness of advertising bans or limitations as an alcohol regulation policy. In the context of the Public Health (Alcohol) Bill 2015 published by the Irish government, it is important to examine the issue of further regulation of the advertising of alcohol.

The Public Health (Alcohol) Bill 2015 is a broad ranging bill that seeks to reduce dangerous alcohol consumption and achieve desirable public health objectives.

The Bill places considerable emphasis on issues around the advertising of alcohol products. Specifically, it seeks to *'provide for restrictions in relation to the advertising and sponsorship of alcohol products, to provide procedures in relation to the exposure for sale and advertising of alcohol products in specified licensed premises'*. It also proposes Minimum Unit Pricing of Alcohol, which would prohibit the sale of alcohol below a certain price per unit.

While issues such as minimum unit pricing are very difficult to argue against, it is not clear on a cost-benefit basis if the proposed measures in relation to advertising will achieve the intended objectives.

There is a distinct possibility that the negative impacts could actually outweigh the positive effects and could result in negative unintended consequences.

This report seeks to analyse the likely impact of the proposed restrictions on the advertising of alcohol, both in terms of its effectiveness and its impact on Irish media.

¹ Babor T. Alcohol: No Ordinary Commodity, 2nd Edition.

The report is structured as follows:

- Section 1 summarises the key elements of the proposed legislation;
- Section 2 surveys some of the international literature on restricting or banning the advertising of alcohol;
- Section 3 looks at some of the international experience with alcohol advertising restrictions in a number of countries;
- Section 4 summarises the voluntary codes of conduct that Irish media is subject to in relation to the advertising and marketing of alcohol;
- Section 5 examines the potential impact on Irish media of the advertising restrictions contained in the Public Health (Alcohol) Act 2015; and
- Section 6 summarises the arguments and presents conclusions.

SECTION 1

THE ALCOHOL STRATEGY OF THE DEPARTMENT OF HEALTH IN IRELAND

The Government now has a clear health policy strategy of introducing a range of measures to reduce the harmful consumption of alcohol in order to achieve positive health benefits. The details are contained in the Public Health (Alcohol) Bill 2015, which is currently making its way through the Irish parliament. The key elements of the Bill include the pricing of alcohol and the advertising and marketing of alcohol.

THE PUBLIC HEALTH (ALCOHOL) BILL 2015

The Public Health (Alcohol) Bill 2015 is 'An Act to provide for the minimum price per gram of alcohol, to confer the power on the Minister for Health to, by order, increase that price, to provide for the labeling of alcohol products including the inclusion of health warnings and the alcohol content and energy content of alcohol products on alcohol product containers, to provide for restrictions in relation to the advertising and sponsorship of alcohol products, to provide procedures in relation to the exposure for sale and advertising of alcohol products in specified licensed premises, to confer power on the Minister for Health to make regulations for the purpose of prohibiting or restricting the sale of alcohol products in certain circumstances, to provide for enforcement measures, to provide for the repeal of certain provisions for the Intoxicating Liquor Act 2008, and to provide for related matters'.

In the Bill, advertising is taken to mean 'any form of commercial communication with the aim or direct or indirect effect of promoting an alcohol product and includes, in relation to an alcohol product, every form of recommendation of the product to the public'. This would include a 'statement of the name of a manufacturer or importer of an alcohol product, or the name of any brand of alcohol product, or a statement of any trade description or designation, or a display or other publication of a trademark, emblem, marketing image or logo, by reference to which the product is marketed or sold, in circumstances where such statement, display or publication may reasonably be regarded as a recommendation of the product to the public, and a statement of the properties of the product on a label, container, wrapper or package used for the product or in a leaflet, circular, pamphlet or brochure issued to the public or given to a purchaser of the product'.

Marketing is taken to mean 'any form of commercial communication that is intended to increase or has the effect of increasing, the recognition, appeal or consumption of a particular product or service'.

Publication is taken to mean '*a newspaper, magazine or any other periodical, brochure or leaflet and includes a supplement or insert to, or cover of the publication*'.

The prohibition of alcohol advertising or marketing applies to Places, Events, Sponsorship, Children's Clothing, Publications and Cinemas.

PLACES

The key measures as they relate to the prohibition of advertising of alcohol in certain places include:

- A park or open space owned or maintained by a local authority;
- A public service vehicle;
- A train or a light rail vehicle;
- In a train or bus station;
- At a designated stopping place at which passengers may board or alight from buses or railway vehicles;
- In or at a school or within 200 metres of the perimeter of school grounds;
- In or at a place where an early years service is carried on or within 200 metres of the perimeter of a place where an early years service is carried on; and
- In or at a playground owned or maintained by a local authority or within 200 meters of the perimeter of such playground.

EVENTS

A person shall not advertise, or cause to be advertised, an alcohol product in or on a sports area at an event that is aimed particularly at children or where the majority of participants or competitors are children. A sports area includes indoor or outdoor and includes a playing pitch or area, a swimming pool, an athletics track, a dog or horse racing track or a motor racing track.

SPONSORSHIP

Sponsorship of an event which includes the advertising of alcohol where the event is aimed primarily at children, an event that includes driving or mechanically propelled vehicles, and an event at which the majority of participants or competitors are children.

CHILDREN'S CLOTHING

It will be deemed an offence to manufacture or import for sale in the State or sell to a person who is in the State any article of clothing intended to be worn by a child that promotes alcohol consumption or bears the name of an alcohol product or trade mark, emblem, marketing image or logo, by reference to which an alcohol product is marketed or sold.

PUBLICATIONS

A person shall not publish or cause to be published a publication where more than 20% of the advertising space in the publication concerned comprises advertisements for alcohol products, unless the publication is not intended for sale or distribution in the State or is directed solely at persons who carry on, in whole or in part, the business of selling or distributing alcohol products.

A person shall not advertise or cause to be advertised, an alcohol product in a publication aimed particularly at children, in a publication or on a page of a publication which is intended or likely to include a readership of which more than 20% comprise children, on the front or back page of a publication, or on any wrapper, envelope or other covering of a publication.

CINEMAS

It will be an offence for a person to advertise an alcohol product in a cinema unless it is at the screening of a film that has been certified by the Director of Film Classification as fit for viewing by persons aged 18 years or more or in a licensed premises in a cinema.

SECTION 2

THE LITERATURE

BACKGROUND

It is widely accepted that excessive consumption of alcohol is dangerous and imposes significant costs on society. These costs include the implications for the healthcare system treating alcohol related diseases such as liver cirrhosis, cancer and the victims of violence caused by alcohol; the implications for the legal system through policing, court costs, anti-social behavior and imprisonment; and economic costs through loss of work days due to alcohol abuse.

The World Health Organisation (WHO) estimates that the harmful use of alcohol causes an estimated 2.5 million deaths globally per year and that alcohol use is the third leading risk factor for poor health globally. ²

There is disagreement within the medical and scientific community about the health benefits of responsible consumption of alcohol. Smoking is a black and white issue – smoking is very injurious to health and there is no safe level of smoking. Moderate smoking is not an option. On the other hand, some medical experts³ argue that there is no harm with low-level consumption of alcohol and that drinking moderate amounts on 3-4 days per week may actually improve your health. However, on balance it is clear that excessive alcohol consumption is not good for health or good for society in general.

Clearly the most effective way to reduce the problems caused by alcohol consumption is to reduce alcohol consumption. In any strategy to reduce the consumption of alcohol, balancing different interests is difficult. The alcohol industry generates considerable economic activity, employment and government tax revenues around the world in the production, distribution, marketing and sales of its product.

The WHO is at the forefront of the global movement to reduce alcohol consumption. Its strategy as outlined in the *Global Strategy to Reduce the Harmful Consumption of Alcohol (2010)*, has five main objectives:

1. To raise global awareness of the magnitude and nature of the health, social and economic problems caused by harmful use of alcohol, and to increase the commitment by governments to address the harmful use of alcohol;

² W.H.O., “Global Strategy to reduce the harmful use of alcohol”, 2010.

³ Associate Professor Kate Conigrave, University of Sydney, <http://blogs.crikey.com.au/croakey/2008/12/05/should-alcohol-advertising-be-banned-public-health-experts-reply/>

2. To strengthen the knowledge base on the magnitude and determinants of alcohol-related harm and on effective interventions to reduce and prevent such harm;
3. To provide increased technical support and enhance the capacity of member states to prevent the harmful use of alcohol and to manage alcohol-use disorders and associated health conditions;
4. To strengthen partnerships and create better coordination among stakeholders and mobilise resources required to prevent harmful use of alcohol; and
5. To improve systems for monitoring and surveillance and create effective dissemination and information for advocacy, policy development and evaluation purposes.

The strategy outlines 10 target areas:

1. Leadership, awareness and commitment;
2. Health services' response;
3. Community action;
4. Drink-driving policies and countermeasures;
5. Availability of alcohol;
6. Marketing of alcoholic beverages;
7. Pricing policies;
8. Reducing the negative consequences of drinking and alcohol intoxication;
9. Reducing the public health impact of illicit alcohol and informally produced alcohol; and
10. Monitoring and surveillance.

The issue is how to reduce alcohol consumption and particularly excessive consumption of alcohol. The international evidence on all fronts is mixed and no clear consensus has emerged. This brief study is focusing on policies aimed at the marketing of alcoholic beverages.

The WHO strategy in relation to the marketing and advertising of alcoholic beverages is aimed at reducing the impact of marketing, particularly on young people and adolescents. Its suggested policy options and interventions include:

- Regulating the content and volume of marketing;
- Regulating direct or indirect marketing in certain or all media;
- Regulating sponsorship activities that promote alcoholic beverages;
- Restricting or banning promotions in connection with activities targeting young people; and
- Regulating new forms of alcohol marketing techniques such as social media.

The central issue in relation to alcohol advertising and marketing is whether advertising affects total alcohol consumption or whether its effects are limited to brand choice. Here again the evidence is mixed and there is no strong consensus.

The economics of advertising places considerable emphasis on the concept of creating brand capital, which is defined as the collective positive associations that individuals have towards a brand. Advertising is an important way of adding to or altering brand capital.

SOME LITERATURE ON ADVERTISING AND ALCOHOL

There is a broad range of literature examining the relationship between advertising and the consumption of alcohol, but the results are generally inconclusive.

Saffer and Dave⁴ (2003) reviewed a large number of econometric studies on advertising and alcohol. The authors begin by stating that there is *'very little empirical evidence that alcohol advertising has any effect on actual alcohol consumption...and although both the level of alcohol consumption among adolescents and the level of alcohol advertising are substantial and well documented, the link between the two remains a controversial subject'*.

They classified the various studies into three categories:

1. The first category consists of time series studies that measure advertising with annual national expenditure data. National advertising expenditures are the total of all alcohol-advertising expenditures, for all advertisers, in all media, for all geographic market areas. The authors suggest that highly aggregated measures such as annual national data are not optimal as they eliminate the variance in advertising needed to find any correlation with consumption. In addition, due to the fact that alcohol is amongst the most heavily advertised consumer good, it is in the range of zero marginal product, meaning that there is not likely to be any effect on consumption for every additional advertising message. The authors conclude that empirical studies using annual national alcohol advertising as an independent variable are not likely to find any significant relationship between alcohol advertising and consumption.
2. The second category includes studies, which use cross-sectional data as the measure of alcohol advertising. The data used in these studies would tend to be local level and span periods of a year or less. Econometric studies, which use local level data, tend to have larger variation in advertising levels and in consumption. The authors show that when the data are measured over a relatively larger range, there is greater probability of being in an upward sloping portion of the response function and so local level advertising data are more likely to find a positive relationship between alcohol advertising and consumption.
3. The third category of studies is based on alcohol advertising bans. The authors conclude that the potential effect of an advertising ban on certain

⁴ Alcohol Advertising and Alcohol Consumption by Adolescents, NBER Working Paper 9676, May 2003.

media is shown as a downward shift of the response function. An advertising ban may not reduce the total level of advertising but will reduce the effectiveness of the remaining non-banned media. This is due to the likelihood that a ban on one or more media will result in a substitution into the remaining media. The increased use of the non-banned media will result in a lower average product for these media. This type of study shows that advertising bans do reduce alcohol consumption.

In the context of a proposed ban on the advertising of alcohol in South Africa, a South African firm of economists, Econometrix (2013)⁵ carried out a review of three types of studies on advertising on alcohol.

- Firstly it conducted a meta-analysis of 132 international econometric studies and concluded that ‘the elasticity of alcohol advertising is very small (0.029), supporting the notion that advertising has a small impact on demand’.
- Secondly, it looked at experimental studies, which found mixed evidence. Some such studies report an effect on attitudes and expectancies around alcohol consumption, and others do not. Such experimental studies have been criticised over their ‘inability to adequately account for the cumulative impact of different factors, including marketing influences, on the shaping of beliefs, attitudes and consumption patterns’.
- Thirdly, it examined longitudinal research, which shows a modest relationship between exposures to marketing and drinking among young people. The authors point out that the strength of the association varies between studies. From these studies, there is some evidence to suggest that marketing exposure may have a small impact on young people’s beliefs about beverage alcohol and their drinking intentions. However, they point out that drinking intentions are not always the same as actual drinking behavior, and other factors may have influence on drinking choice. They point to some research showing that people make drinking choices based on what dominant and/or influential people in their social circle do. They conclude that ‘many who abuse alcohol are also not influenced by the image of brands as such’.

The Econometrix study concludes that ‘The balance of evidence is inconclusive and does not support a direct causal relationship between overall alcohol marketing and drinking levels or harmful drinking patterns (whether chronic or episodic). This applies both to adults and young people’.

Babor (2003)⁶ identifies seven broad areas of intervention by authorities aimed at reducing the damage caused by alcohol consumption. These are:

1. Alcohol taxes and other price controls;

⁵ Econometrix (Pty) LTD, The Link Between Alcohol Consumption and Advertising Expenditure, and the Effectiveness of Policy Measures’, March 2013.

⁶ Babor T. Alcohol: No Ordinary Commodity, 2nd Edition.

2. Regulating physical availability through restrictions on time and place of sales and density of alcohol outlets;
3. Altering the drinking context;
4. Drink driving countermeasures;
5. Education and persuasion – providing information to adults and young people, especially through mass media and school-based alcohol education programmes;
6. Regulating alcohol advertising and other marketing; and
7. Conduct screening and brief intervention in health care settings – increase availability of treatment programmes.

In relation to the regulation of alcohol advertising Babor suggests that imposing total or partial bans on advertising produce at best, small effects in the short term on overall consumption in a population, in part because producers and sellers can simply transfer their promotional spending into allowed marketing approaches. He suggests that effective intervention policies are selected restrictions on physical availability, alcohol taxation, and enforcement of drunk driving laws.

Nelson (2006)⁷ used cross-country panel data to study the effects of advertising bans and other control policies on alcohol demand. His study sought to address shortcoming in four previous cross-country studies, that reached conflicting conclusions on the effects of advertising bans. He argues that some prior studies are biased statistically toward a negative relationship between advertising bans and alcohol consumption.

To address the shortcoming of previous studies he included four factors of significance. Firstly, he included an explanatory variable for other alcohol control policies. Secondly, he studied the history of advertising bans in 17 OECD countries for the time period 1975-2000. Thirdly, he examined differences in cross-country trends that characterise developed countries, such as price, ageing of the population, tourism, unemployment rates, alcohol culture, and increased consumption of wine. Finally, the study examined the panel data for unit roots and employed model specifications that correct for non-stationary data.

Nelson concludes that advertising bans do not reduce alcohol demand and that developed countries in his study experienced other significant social and economic changes that have an influence on the use of alcohol. These include higher unemployment levels, increased tourism, and ageing populations. He argues that during the past 40 years there have been major changes in alcohol consumption levels and beverage shares, despite the relatively stable nature of advertising regulations and bans. In many countries, alcohol consumption levels peaked in the early 1980s and then declined by 20% or more.

He points out that in the Mediterranean wine-drinking countries, average consumption fell by more than 30% between 1980 and 2000, despite the fact

⁷ Nelson JP. Alcohol Advertising Bans, Consumption, and Control Policies in Seventeen OECD Countries, 1975-2000. *Journal of Applied Economics* Volume 42, 2010 – Issue 7.

that most wine countries have fewer restrictions on alcohol advertising, marketing, and distribution. This is in marked contrast to Norway for example, which bans advertising. WHO data show that in 2005, total consumption of pure alcohol per capita in Norway was 7.81 litres of pure alcohol. In 2016, it stood at 7.8 litres. Over the same period, consumption in Ireland declined from 14.41 litres to 10.9 litres, and Italy declined from 10.68 litres to 7.6 litres.

Nelson acknowledges that critics argue that advertising enlarges the market-wide demand for alcohol, but the consumption trends highlighted in his study, especially for the wine countries, does not support this view. Furthermore, he points out that many individuals begin drinking alcohol at an early age, and if advertising influences this decision, 'it is difficult to see why this behavior is not reflected in the empirical results for long-standing advertising bans'.

The Institute of Alcohol Studies (IAS)⁸ admits that it 'it is always difficult to assess the role of individual factors in the availability of alcohol' and point out that the effectiveness of advertising on sales and consumption of alcohol is weak. Saffer (2000)⁹ points out that New Zealand in 1992, and Finland, Denmark and Canada eliminated bans on alcohol advertising in 1995.

Basham and Luik (2009)¹⁰ argue that where advertising bans have been lifted, there is no evidence that consumption has increased. They admit that this does not suggest that advertising is ineffective, as a number of studies have demonstrated the expected advertising outcome of substitution effects and movements between brands and beverage categories. They also suggest that there is no public policy justification for measures to restrict or completely ban alcohol advertising that is directed towards legal consumers.

⁸ Institute of Alcohol Studies, *The Globe*, Issue 2 2004

⁹ Saffer, Henry. *Alcohol Consumption and Alcohol Advertising Bans*, NBER Working Paper 7758, June 2000.

¹⁰ Bashman P & Luik J, 'Banning Alcohol Ads Won't Cure Alcoholism', July 21st 2009.

SECTION 3

THE INTERNATIONAL EXPERIENCE

Many countries have policies that control and restrict the advertising and marketing of alcohol, and alongside legislation, many countries have codes of conduct that act in a self-regulating manner. Some countries such as France, Norway, Russia, Ukraine, Myanmar, Sri Lanka and Kenya ban all advertising of alcohol on television and billboards.

There is little consensus on how effective outright bans and significant restrictions actually are. In addressing the issue about the effectiveness of advertising bans or restrictions, the international experience is important.

France

Unlike most European countries, the advertising of alcohol in France does not depend on self-regulation or voluntary codes of practice depending on the good will of the producers. The advertising of alcohol is controlled by law and illegal advertisements can be brought before the courts. There are substantial penalties for infringement.

The alcohol policy law, the *Loi Evin*, was passed in France in 1991 in order to control the advertising of alcohol and tobacco. The main objective of the legislation was to reduce alcohol-related harm, particularly underage drinking and binge drinking. In relation to alcohol, the key measures contained in the original law proscribe that all drinks over 1.2% alcohol by volume are considered as alcoholic beverages. Places and media where advertising is authorised are clearly defined:

- No advertising should be targeted at young people;
- No advertising of alcohol is allowed on television or in cinemas;
- No alcohol sponsorship of cultural or sports events is permitted;
- Advertising is permitted only in the press for adults, on billboards, or on radio channels (under precise conditions), at special events or places such as wine fairs and wine museums.
- When advertising is permitted, its content is controlled in a number of ways. Messages and images should refer only to the qualities of the products such as degree, origin, composition, means of production, patterns of consumption; and a health message must be included on each advertisement to the effect that alcohol abuse is dangerous to health.

Data from the 2015 ESPAD Report, which is the European School Survey Project on Alcohol and Other Drugs, show some significant results for France:

- 57% of respondents in France experienced alcohol use at the age of 13 or younger, which is 10% above the average;

- 84% of 15-16 year olds had used alcohol at least once during their lifetime, which is 4% above the average;
- 53% of 15-16 year olds had used alcohol during the 30 days prior to the survey, which is 5% above the average;
- 13% of 15-16 year olds had been intoxicated in the 30 days prior to the survey, which is the average;
- The frequency of alcohol use for 15-16 year olds in the 30 days prior to the survey was 6, which places France 13th highest amongst the 35 countries surveyed;
- The average volume of alcohol consumed on the last drinking day prior to the survey by 15-16 year olds was 4 centilitres, compared to an average of 4.7 centilitres;
- 31% of 15-16 year olds reported heavy episodic drinking during the 30 days prior to the survey, which compares to an average of 35%;
- The prevalence of lifetime alcohol use showed reductions between 1995 and 2015 in most countries, with reductions of 15% or more observed in Finland, Iceland, Ireland, Norway and Sweden. France experienced a marginal decline;

The impact of the advertising legislation in France based on available data is not very compelling.

SWITZERLAND

Switzerland has been very proactive over a long period of time in introducing measures to regulate the production, sale and use of alcohol at the cantonal and federal levels.

In recent years the following policies have been implemented and clearly demonstrate the proactive nature of the Swiss authorities in relation to alcohol consumption.

In July 1999, Switzerland had to reform its taxation of spirits to comply with a World Trade Organisation (WTO) agreement to eliminate discriminatory duties on foreign spirits. This resulted in the implementation of a uniform tax rate, which led to a reduction of 30-50% in the price of imported spirits. This resulted in an increase in alcohol consumption. Then in June 2000, a cantonal law limiting alcohol and tobacco advertising was established in the State of Geneva. In February 2004, the uniform tax rate was abolished and a tax of 300% was imposed on Alco pops. In 2005, the legal alcohol blood limit to drive was reduced to <0.5g/1000 mL. Also in 2005, a policy was introduced in Geneva restricting the sale of alcohol from 7:00 to 17:00 and only in certain retail outlets.

Dumont et al (2017)¹¹ used an observational study to assess trends in individual alcohol consumption of a Swiss adult population following the public policy

¹¹ Dumont S, Marques-Vidal P, Favrod-Coune T, et al. Alcohol policy changes and 22-year trends in individual alcohol consumption in a Swiss adult population: a 1993-2014 cross-sectional population-based study. *BMJ Open* 2017;7:e014828. Doi:10.1136/bmjopen-2016-014828.

changes in relation to alcohol that took place between 1993 and 2014. In this study they also considered individual characteristics and secular trends.

Their research showed that between 1993 and 2014, the individual alcohol intake of participants decreased from 7.1 to 5.4 g/day. However, when they adjusted for participants' characteristics and secular trends, they established no independent association between alcohol legislative changes and individual alcohol intake. Specifically in relation to marketing and advertising, they state that 'the general level of evidence on the beneficial effect of alcohol marketing is low'. In addition, the authors cite five studies identified by Nelson and McNall¹² that explored policy effects on alcohol consumption in Switzerland and which showed that the 'overall effects of policy changes were estimated to be unclear and to depend on context and culture'.

CROSS COUNTRY STUDIES

In 17 OECD countries, the aforementioned study by Nelson (2006) produces results, which fail to indicate that advertising, bans reduce consumption, which 'casts doubt on the existence of a market-wide advertising-sales response function'.

Denmark has a ban on all broadcast advertising except on low alcohol products, and has various restrictions on print and outdoor advertising. Denmark has one of the highest reported rates of intoxication among young people.

Italy reports one of the lowest rates of intoxication, despite the fact that advertising relies heavily on self-regulatory codes of behavior.

Greece also has low rates of intoxication amongst young people. It has a combination of voluntary self-regulation and some legislated regulation.

The result of the initial ban on advertising in Russia did not decrease consumption per capita, but rather the ban tended to shift brand loyalty and cause migration towards the black market. In 2016, Russian consumption of alcohol per capita stood at 13.9 litres, which was the fourth highest in Europe.¹³

¹² Nelson JP, McNall AD. What happens to drinking when alcohol policy changes? A review of five natural experiments for alcohol taxes, prices, and availability. *Eur J Health Econ* 2016;23:1260-80.

¹³ Econometrix (Pty) LTD, *The Link Between Alcohol Consumption and Advertising Expenditure, and the Effectiveness of Policy Measures*, March 2013.

SECTION 4

VOLUNTARY CODES OF CONDUCT

The advertising of alcohol is subject to a very strong and comprehensive code of conduct in Ireland.

THE ADVERTISING STANDARDS AUTHORITY FOR IRELAND

The Advertising Standards Authority for Ireland (ASAI) has a strong voluntary code of conduct for the advertising of alcohol. The code covers the Social Dimension, Children, and Health and Safety.

The code is very comprehensive and the main elements of the code are as follows:

7.1

Marketing Communications for alcoholic drinks (i.e. those that exceed 1.2% alcohol by volume) should be socially responsible and should not exploit the young or the immature. They should neither encourage excessive drinking nor present abstinence or moderation in a negative way.

7.2

Marketing communications, which depict or refer to alcohol may be considered under the rules of this Section, whether or not alcohol is the main product being marketed.

7.4

Marketing communications may refer to the social dimension or refreshing attributes of a drink, but:

- a. Should not imply that alcohol can improve physical performance or personal qualities or capabilities;
- b. Should not imply that the presence or consumption of alcohol can contribute to social, sporting or business success or distinction or that those who do not drink are less likely to be acceptable or successful than those who do;
- c. Should not suggest, by word or allusion that the presence or consumption of alcohol can contribute towards sexual success or make the drinker more attractive. Advertisers should take account of public sensitivities regarding coarseness and sexual innuendo in marketing communications for alcohol;
- d. Should not portray drinking alcohol as a challenge nor should it be suggested that those who drink are brave, daring or tough;
- e. Should not link in any way the presence or consumption of alcohol to aggressive or anti-social behavior.

7.5

Marketing communications should not suggest that a product can mask the effects of alcohol in tests on drivers; marketing communications for breath-testing devices should include a prominent warning on the dangers of drinking and driving.

7.6

Marketing communications should not be directed at children or in any way encourage them to start drinking:

- a. Anyone depicted in an alcohol marketing communication should be aged over 25 and should appear to be over 25;
- b. Aspects of youth culture and treatments that are likely to appeal to children should not be used. Treatments should not portray adolescent, juvenile, childish or immature behavior;
- c. Marketing communications should not use or refer to identifiable heroes or heroines of the young;
- d. Alcohol marketing communications should not be placed in media primarily intended for children. Advertisers should take account of the age profile so that marketing communications are communicated, so far as is possible, to adults.

7.7

In the interests of health and safety:

- a. Marketing communications should not show, imply or encourage immoderate or irresponsible drinking or regular solitary drinking. This applies to the amount of drink; the numbers drinking or the way drinking is portrayed. The buying of a large round of drinks should not be depicted or implied;
- b. Marketing communications for alcohol should not portray drinking games or sessions or show or imply pub or club crawls;
- c. Abstinence or moderation should not be presented in a negative light;
- d. Marketing communications may not suggest, or commend, or make fun of over-indulgence or its after-effects;
- e. Marketing communications should not claim that alcohol has therapeutic qualities or that it is a stimulant, a mood-changer or a sedative, or that it is a means of boosting confidence or resolving personal conflict;
- f. Advertisers should ensure that low-alcohol drinks (i.e. those that contain 2.8% alcohol by volume or less) are not promoted in a way that encourages inappropriate consumption;
- g. Marketing communications should not depict any association with activities or locations where drinking alcohol would be unsafe, unwise or unacceptable. In particular, marketing communications should not associate the consumption of alcohol with operating machinery, driving, any activity relating to water or heights, or any other occupation that requires concentration in order to be done safely;

- h. With the exception of drinks below 2.8% alcohol by volume, which are subject to the provisions of 7.7 (f), factual information can be given about the alcoholic strength of a particular drink, but it should not be the principal theme of any marketing communication. Drinks should not be promoted as being more intoxicating or presented as preferable because of their higher alcohol content.

7.8

Sales promotions involving alcohol that require multiple purchases should take care not to promote excessive consumption.

OTHER REQUIREMENTS

There are a number of other requirements, in addition to those in the ASAI Code, which apply to the marketing of alcohol in Ireland. These include:

- All campaigns by drink manufacturers solely or mainly for alcohol carried in Irish media must carry Central Copy Clearance Ireland approval;
- The voluntary codes agreed between the Department of Health and Children, the drinks industry and the media in relation to television, radio, cinema and outdoor/ambient media;
- Codes of standards, practices and prohibitions in advertising, sponsorship, and other forms of commercial promotion in broadcasting service, regulated by the Broadcasting Commission of Ireland;
- Code for Sponsorships by Alcohol Drinks Companies; and
- Intoxicating Liquor Acts, 1998-2003.

PRINT MEDIA

A comprehensive code for the print media has been adopted in relation to alcohol advertising. This code has been agreed between the Alcohol Beverage Federation of Ireland, the Drinks Industry Group of Ireland, the Association of Advertisers in Ireland, the Institute of Advertising Practitioners in Ireland, the National Newspapers of Ireland, Regional Newspapers and Printers Association of Ireland and the Periodical Publishers Association of Ireland. It incorporates the following points:

- Alcohol advertisements will only be carried in consumer publications where the adult readership is 75% or greater. A commercial publication or issue is taken to mean the complete edition published that day to include any supplements or advertising inserts;
- A maximum limit of 25% of sold advertising space per issue per consumer publication will apply to alcohol advertising. The sold advertising space per issue includes the sold advertising space in any supplement or insert. (The tight publication deadlines that can apply to newspapers may leave little time to fully assess the total volume of alcohol advertising contained in a particular publication and to take the necessary remedial action to avoid a breach of the Codes. If the maximum limit on alcohol advertising

space is exceeded in any newspaper, then the Alcohol Marketing Communications Monitoring Body (AMCMB) will take into account the volume of alcohol advertising contained in the edition immediately preceding and the edition immediately following that publication. The volume of alcohol advertising in all three editions will be part of the assessment criteria used in deciding compliance with the Codes. Notwithstanding this provision, under no circumstances should alcohol advertising exceed 50% of sold advertising space in any publication.)

- No alcohol advertisements will be placed in any consumer publication or part thereof aimed specifically at young people or 3rd Level Students i.e. campus publications. No alcohol advertisements will be allowed in parts of consumer publications aimed at young people i.e. comics, teenage magazines;
- Publications will not make outer wrap rounds available to alcohol advertisements;
- No alcohol sponsorship of sports pages or sports supplements will be allowed; and
- The Print Media will co-operate and comply with the other broader elements of the industry agreements including the Copy Clearance process and the Alcohol Marketing Communications Monitoring Body.

SECTION 5

THE POTENTIAL IMPACT OF THE PUBLIC HEALTH (ALCOHOL) BILL 2015 ON IRISH MEDIA

Research findings presented earlier in this report do not provide conclusive evidence that a ban or severe restrictions on advertising of alcohol would achieve the desired effect of reducing the consumption of alcohol and particularly consumption amongst young people. It is far from certain that an evidence base exists to justify a ban or significant restrictions on advertising as contained in the Public Health (Alcohol) Bill 2015. Hence, it is very questionable if the benefits to be derived from a ban on advertising would outweigh the costs.

IMPACT ON MEDIA

One of the biggest identifiable costs from an advertising ban or severe restrictions would emanate from the impact on media. Irish media in general is under significant financial pressure from declining advertising revenues and other factors such as the alternative means of viewing and reading content that are emerging at a rapid pace. It is estimated that 10,231 people were employed in Irish media – Television, Press, Radio and Out of Home – in 2012.¹⁴ The sector is an important employer in the economy and makes a strong regional contribution to economic activity.

Broadcast Media

A recent report in the Irish Times¹⁵ highlighted some of the immediate pressures on RTE, largely as a result of Brexit. More than €20 million of RTE Television's advertising revenue, which totaled more than €80 million in 2015, is booked by companies that make their decisions in the UK. The sterling amount spent typically remains unchanged, but due to the decline in the value of sterling, the euro equivalent is down by up to 17% over the past 18 months. Furthermore, uncertainty generated by Brexit has impacted on advertising budgets, particularly amongst the heavily exposed agri-food sector. This situation is likely to worsen over the next couple of years as the Brexit process gathers momentum and as sterling weakness is likely to persist.

In 2007, RTE's commercial revenue peaked at €245.5 million. This declined to €155 million in 2015. These financial pressures have forced RTE to introduce a voluntary redundancy scheme and to sell just under 9 acres of land on the Montrose campus for €107.5 million. RTE receives most of its funding from licence fees and advertising revenues, with the latter now under severe pressure,

¹⁴ Deloitte. Advertising – An Engine for Economic Growth. Deloitte. October 2013.

¹⁵ 'Montrose woes as cost of Brexit blues leaves RTE in doldrums'. Irish Times. June 17th 2017.

which would be exacerbated if the proposed measures were to be introduced. This would undermine the ability of the state broadcaster to fulfill its public service broadcasting remit.

TV3 is an independent commercial broadcaster that employs over 300 staff directly and another 200 indirectly. It invests tens of millions in content every year and is Ireland's only non-state, truly independent free to air broadcaster. It cannot rely on licence fee or subscriber revenue, so it is also very vulnerable from an advertising revenue perspective if the proposed measures were to be introduced.

Over 40% of viewing to commercials by young Irish adults is to UK 'opt-out' channels. Introducing the proposed Bill would provide a significant material advantage to non-Irish broadcasters, which provide no public service value to the Irish viewer or make no meaningful contribution to the Irish economy.

If revenue of Irish broadcasters is further undermined, their ability to buy sporting events will be damaged and more people will be enticed to go to pubs to watch sporting events on 'Pub Channels' that will have the budgets to pay for sporting events. There is also the risk that more sporting events will be pushed to the watershed, reducing viewing opportunities.

The proposed restrictions would also likely have the effect of accelerating the shift of advertising away from radio, TV and print media towards digital, which is much less regulated. Money will inevitably find its way into digital media, and the new regulations do not address where young people access media content.

The Irish broadcasting industry estimates that the cost to the Irish broadcasting sector across radio and TV, if the measures proposed in the Bill were to be implemented, would be €7 million per annum. The Irish broadcasting sector has experienced eight years of depressed advertising revenues and has cut costs aggressively, with consequent pressure on the maintenance of Irish programming output. There is little room for further cost cutting, and if revenues are hit further by Brexit related issues and the measures included in the Public Health (Alcohol) Bill 2015, then Irish programming content and the associated employment will be damaged further.

Out of Home Media

Measures in the Bill seek to prohibit advertising in many public spaces. This includes a prohibition on advertising within 200 metres of the perimeter of school grounds, compared to 100 metres at present. There would not appear to be any justification or evidence base to support such a measure. Apart from that fact, the logistics of the proposed measures could prove very problematical.

There is no reliable, accessible and up-to-date information readily available to outdoor media owners to identify the perimeters and grounds of the country's 3,300 primary schools, 723 secondary schools, and the many thousands of additional locations comprising local authority owned or maintained playgrounds, pre-school services, day nurseries, crèches, child-minding services,

and drop-in child care services in shopping centres and other locations. The advertising industry estimates that the proposed measures could rule out the advertising of alcoholic products on around 88% of all existing advertising panels owned by OMA members. Media owners would be obliged to survey all sites individually to ensure absolute compliance, so a blanket ban on alcohol advertising on all outdoor media would be initially necessary until this process of assessment was completed.

The outdoor advertising of alcohol supports 112 full-time equivalent (FTE) jobs; it generates €1.7 million in taxation; and contributes €9.3 million to economic output annually.

Based on advertising spend independently monitored by Nielsen, it is estimated that the proposed measures would cost the out of home media industry around €11 million per annum.

Newspapers

Like other forms of media, print media is also under considerable financial pressure. This pressure is emanating from falling circulation, online competition, and declining advertising revenues. Since 2007, there has been a decline of more than 50% in advertising revenue and newspapers are struggling in the face of such pressures. This is resulting in job losses, lower wages and it is inevitable that the standard of content will come under pressure. The need for a high quality, professional and well-resourced newspaper industry has never been more apparent in the context of the growth of 'fake news'. Hitting the revenues of newspapers will threaten further the effectiveness of the newspaper industry and apart from the economic impact; society will be worse off as a result. It is estimated that the proposed regulations could cost print media around €2million per annum.

The Bill contains quantitative and qualitative rules that must be respected in advertisement carried in all publications. Print media originating in another EU Member state that are intended for sale or distribution in Ireland may be required to respect the same advertising restrictions as domestic print media if they are intended for the Irish market. This may cause publishers to incur higher costs to adapt publications for the Irish market, which might just result in those publications being withdrawn from the Irish market. This would damage consumer choice and affect media plurality in Ireland.

COMPETITIVE ISSUES

The proposed measures on alcohol advertising could be deemed anti-competitive. It has been argued in the South African context that a ban on advertising could potentially lock in the current market structure and that smaller companies with limited brand recognition would struggle to compete with the bigger players.¹⁶ The proposed content restriction in the Irish Bill would

¹⁶ themediaonline. Impact! What an Alcohol Advertising Ban Would do to the Economy. June 2013.

provide an advantage to some brands over others due to long-established brand recognition and historical use of logos and symbols. This would make it much more difficult for new brands to break into the market and would undermine consumer choice and distort competition in the market.

The detailed list of permitted and forbidden advertising content is likely to violate the freedom of commercial speech protected by European constitutional law.

Requiring imported printed material to conform to the proposed advertising restrictions also poses a challenge to the country of origin principle, which could be contrary to EU law.

CONCLUSION

Ireland already has very strict placement and advertising content codes. Since 2003, all advertising copy is sent for pre-clearance to CopyClear. This process ensures that all marketing communications fully comply with the ASAI codes. By imposing the regulations on advertising and marketing contained in the Public Health (Alcohol) Bill 2015, it is far from certain that they will achieve the desired objective, and the risk is that they will have significant unintended consequences for Irish media.

The Irish media industry is already under significant financial pressures from declining revenues due to a variety of factors. These pressures will be exacerbated by the proposed legislation and this will inevitably cost further jobs in the sector and equally importantly, undermine the ability of the sector to deliver high quality media content and support Irish programme making.

SECTION 5

CONCLUSIONS

The Public Health (Alcohol) Bill 2015 is proposing very severe restrictions on the advertising and marketing of alcohol products. However, the measures lack focus and there is no reliable evidence base to support the measures in terms of their overall objective of reducing the overall consumption of alcohol, particularly by young people. It is open to serious doubt if the proposed measures will reduce harmful consumption of alcohol, but the measures will have a significant negative impact on an already pressurised Irish media sector.

In assessing the appropriateness of the proposed legislation a number of issues must be considered by Government:

- Is there sufficient evidence to suggest that further regulation is required and if such intervention would have a positive impact on the attitude of children to alcohol?
- How effective are the current regulations in preventing children from seeing alcohol across different types of media?
- Will the proposed changes have an equitable impact across different media and different brands?
- Are the proposed regulations properly targeted, without unnecessarily restricting legitimate advertising to adults?
- Would the impact of the proposed new regulations be proportional to the cost to media and the creative industry?

It is clear from the foregoing analysis that the evidence base to support the proposed changes to the marketing and advertising of alcohol is not strong. Proponents of extreme regulation and restriction argue fervently that banning or restricting advertising will reduce harmful alcohol consumption and protect younger people. The international evidence is not very re-assuring in that regard.

Ireland already has a strong regime in place to restrict the advertising and marketing of alcohol, and the voluntary code of conduct is very rigid and is supported by all relevant media bodies. By imposing the proposed new regulatory regime, the revenue tap for media will be turned off and media will suffer as result. The proposed changes will most likely lead to fewer advertisements, which will result in less finance for professional Irish media content, and the result is likely to be job losses and less consumer choice.

It important to point out that the latest data on alcohol consumption from the WHO (summarized in Table 1) show clearly that alcohol consumption in Ireland is on a declining trend. In 2005, Ireland had the 9th highest level of alcohol consumption per capita in the EU at 14.41 litres of pure alcohol per capita. In

2016, Irish consumption had reduced to 10.9 litres per capita, a decline of 24.4%, placing the country 18th in the EU.

Table 1: Average Alcohol Consumption (Litres of Pure Alcohol) (EU)

2005			2016		
RANKING	COUNTRY		RANKING	COUNTRY	
1	Czech Republic	16.45 ltrs	1	Lithuania	18.2 ltrs
2	Hungary	16.27 ltrs	2	Czech Republic	13.7 ltrs
3	Estonia	15.57 ltrs	3	Romania	13.7 ltrs
4	Romania	15.3 ltrs	4	Bulgaria	13.6 ltrs
5	Slovenia	15.19 ltrs	5	Croatia	13.6 ltrs
6	Croatia	15.11 ltrs	6	Belgium	13.2 ltrs
7	Lithuania	15.03 ltrs	7	Estonia	12.8 ltrs
8	Portugal	14.55 ltrs	8	Hungary	12.3 ltrs
9	Ireland	14.41 ltrs	9	Latvia	12.3 ltrs
10	France	13.66 ltrs	10	Poland	12.3 ltrs
11	Denmark	13.37 ltrs	11	Slovakia	12.3 ltrs
12	UK	13.37 ltrs	12	UK	12.3 ltrs
13	Slovakia	13.33 ltrs	13	France	11.7 ltrs
14	Poland	13.25 ltrs	14	Germany	11.4 ltrs
15	Austria	13.24 ltrs	15	Slovenia	11.3 ltrs
16	Luxembourg	13.01 ltrs	16	Luxembourg	11.1 ltrs
17	Germany	12.81 ltrs	17	Finland	10.9 ltrs
18	Finland	12.52 ltrs	18	Ireland	10.9 ltrs

Source: WHO. World Health Statistics 2017, Global Status Report on Alcohol & Health, 2011.

The ESPAD¹⁷ report shows that for students in Ireland aged 15 to 16 years old, the lifetime use of alcohol declined by 15% between 1995 and 2015. In Ireland 35% of students in 2015 had consumed alcohol in the previous 30 days, which compares to an EU average of 48%; and 28% had engaged in heavy episodic drinking in the previous 30 days, which compares to an EU average of 35%.

These declines have occurred in the absence of the draconian advertising measures contained in the Public Health (Alcohol) Bill 2015.

It is difficult to explain why these declines are occurring, but a number of factors are likely to be impacting. These include the ageing of the population; stringent drink-driving legislation; improved awareness of the health implications of alcohol consumption; a greater emphasis on health and fitness; and price.

Price is obviously a very important consideration. The latest data from Eurostat¹⁸ show that in 2016, Ireland was the most expensive country in the EU-28 for alcoholic beverages & tobacco. Ireland was 75% above the EU average.

¹⁷ ESPAD, ESPAD Report 2015 – Results from the European School Survey Project on Alcohol and Other Drugs, 2016.

¹⁸ Eurostat. Consumer Price Levels in 2016. June 15th 2017.

Notwithstanding improving trends, there is still a significant problem with alcohol consumption in Ireland. The below cost selling of alcohol in Irish supermarkets and off-licences is not helping the situation and does increase alcohol consumption, particularly amongst young people and those with serious alcohol addiction. The inclusion of minimum unit pricing in the Public Health (Alcohol) Bill 2015, which proposes a minimum price per gram of alcohol of €0.10, is a constructive initiative.

Education about the impact of alcohol is also very important because it is clear that Ireland has a societal issue with alcohol and it is and always has been ingrained in Irish life. In Ireland, when a child enters the world it is celebrated with alcohol and when it leaves the world it is celebrated with alcohol and most everything in between is celebrated or marked with alcohol. In short, Ireland does have an unhealthy relationship with alcohol. A greater focus in the educational system from an early age pointing out the dangers of alcohol must be given greater priority.

The Public Health (Alcohol) Bill 2015, places a major emphasis on numerous and broad-based restrictions on the advertising and marketing of alcohol. It is far from certain that imposing significant restrictions on the advertising of alcohol and the sponsorship of certain events by alcohol companies would achieve the desired effects and there is a distinct risk that the costs involved would outweigh the benefits. The benefits of such restrictions might be to reduce consumption of alcohol; the costs would mainly be seen through the reduction in revenues for media and the accompanying consequences.