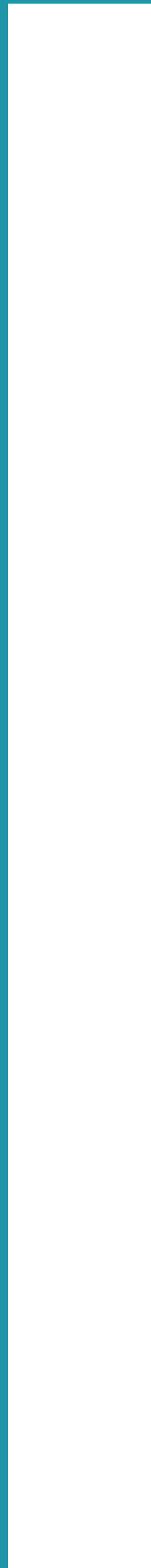


Raising the bar
An examination
of the alcohol
market in Ireland



Introduction from Alcohol Action Ireland Chair, Prof. Frank Murray.

The passage of the Public Health Alcohol Act 2018 was a landmark event in attempting to address Ireland's substantial problem with harmful alcohol use. Tentative signs of progress suggest that Ireland may be coming to terms with its deeply damaging engagement with alcohol and the inherent risk it presents to health and wellbeing. The paper presents an overview of many aspects of Ireland's alcohol market. It examines the enormous financial rewards captured by a small group of dominant national and international alcohol producers. It dissects the investment in marketing required to sustain the myth of risk-free drinking and exposes a symmetry that exists at the heart of our governance between the State and its agencies, and the alcohol industry, while making inadequate provision for alcohol services and recovery.

Ireland pays an enormous human and economic price for its continued high level of alcohol use. While some progress has been made by establishing meaningful alcohol controls, much more remains to be done. Government, and the wider political system, must be encouraged to appreciate the dichotomy of public policy positioning that on one hand seeks to reduce alcohol consumption and while on the other, encourages more revenues for producers and greater commercial opportunity for allied alcohol traders.

The people of Ireland cannot afford to continue to support the alcohol industry by paying for the harms due to alcohol. Data in this review demonstrates that the cost to the State and its citizens is €1.18 per unit of alcohol consumed on average. This finding is a wake-up call to those in Government to take steps urgently to recoup adequate resources from the alcohol industry.

Every day, 4 people in Ireland die from alcohol. There is an urgency to take action to reduce alcohol harms.

Our ambition is that future governments will recognize, as has been done in the past with tobacco and road safety, that a greater coherence must be brought to public health policy regarding alcohol including better access to timely alcohol treatment and recovery services. This can be achieved if an appropriately resourced Alcohol Office is established to strategically coordinate such ambition.

Prof Frank Murray MD
Chair, Alcohol Action.



Alcohol use in Ireland 2021



per capita
>15 years drinking population



Alcohol use



per drinker



cans of beer



bottles of gin/vodka



bottles of wine



cans of cider



per household



cans of beer



bottles of gin/vodka



bottles of wine



cans of cider

Monetary value



● On-trade ● Off-trade

2019 pre-covid

On-trade **€5.42bn**

Off-trade **€2.22bn**

2021 covid impacted

On-trade **€3.05bn**

Off-trade **€2.50bn**

Alcohol beverage goods exports and imports



Exports **€1.75bn**

Imports **€932m**

Net exports
0.0025% GNP



Alcohol industry marketing spend: 2021

- **€41.2m** traditional media
- **€14.3m** promotion within multiples
- **€49.8m** digital advertising
- **€11.0m** sponsorship

Estimated cost to the health system



of all public healthcare expenditure

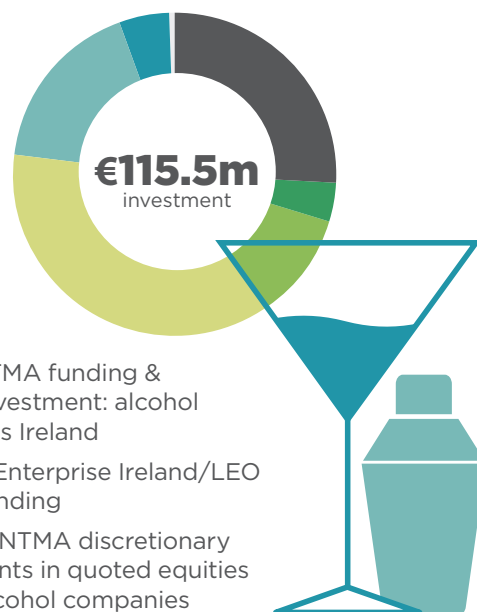
€1.9bn health care current public expenditure (€17.73bn; CSO:2021)

In 2020, the total allocation for HSE Addiction Services and HSE Section 39 funding was **€106,768,174**



There is no published breakdown of how much of this expenditure is dedicated to alcohol services.

Decade of State investment & subsidy in the alcohol industry



- **€30m** NTMA funding & equity investment: alcohol producers Ireland
- **€4.50m** Enterprise Ireland/LEO Grant Funding
- **€12.27m** NTMA discretionary investments in quoted equities global alcohol companies
- **€42.35m** Exchequer excise reliefs
- **€20m** waive excise duty, stamp duty and court fees for on-trade liquor licenses
- **€6m** Restart Grant Plus
- **€0.35m** Bord Bia marketing assistance grant payments



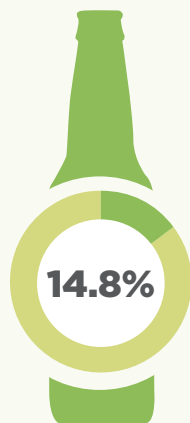
Societal cost of alcohol use estimates range from

€2.4bn to **€3.7bn** per year

Ireland's GDP is likely to be 1.9% lower on average between now



The drinking patterns of **14.8% of the population - 578,000 people, show evidence of an alcohol use disorder** and an estimated 90,000 have severe problem



Alcohol treatment data 2021 shows **only 3018 new presentations gaining access to alcohol treatment services**



This paper, using publicly available data, explores the scale of the contemporary alcohol market in Ireland.

It endeavours to highlight the volume and value of the market to alcohol producers, merchants and retailers, and what corporate entities monopolise the market.

It looks to examine the relationship between the distribution and marketing of alcohol products and the consumer.

It estimates the level of economic and social cost attributable to alcohol harm and evaluates what has been the State's response to such a persistent public health problem and the alcohol industry's response to a societal problem sustained by its product.

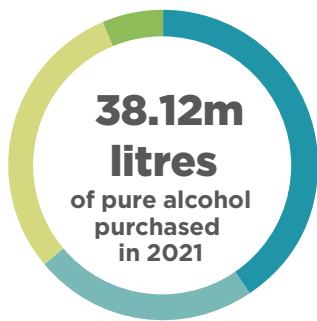
Ireland's drinking pattern

In 2021, a year when public health COVID restrictions applied to all On-Trade premises, the drinking population (76% of those over the age of 15 years old: 3,056,416 people¹) drank 12.47 litres of pure alcohol, per capita. This is based on the alcohol receipts from Revenue, which show that 38,113,405 litres of pure alcohol were traded in Ireland in 2021. A standard criteria is also applied across the whole-of-population (all over 15 years: 4,021,600 people), which indicates a per capita use of 9.48 litres.

Alcohol use is determined across four categories of alcohol products: Beer, Spirits, Wine and Cider.

In 2021, the alcohol industry sold 15,462,700 litres of alcohol beer, 8,991,008 litres of alcohol spirits, 11,247,545 litres of alcohol wine, and 2,412,152 litres of alcohol cider.²

To quantify some of those volumes to an individual drinker or household level:



- **15,462,700 litres** alcohol beer
- **8,991,008 litres** alcohol spirits
- **11,247,545 litres** alcohol wine
- **2,412,152 litres** alcohol cider

15,462,700 litres of alcohol: Beer, equates to an estimated **719.195 million cans (4.3% ABV, 500ml) or 235 can per drinker, or 444 cans per household, in the year 2021, and**

8,991,008 litres of alcohol: Spirits, equates to an estimated **34.251 million bottles (37.5% ABV, 70cl) or 11 bottles per drinker, or 21 bottles per household, in the year 2021**

11,247,545 litres of alcohol: Wine, equates to an estimated **120m bottles sold in 2021, which is 39 bottles (12.5% ABV, 75cl) per year per drinker (2021: 3,056,416; 76% of population ≥ 15 yrs) or 74 bottles per household (1.618m households).**

With 2,412,152 litres of alcohol: Cider, equates to an estimated **35 cans (4.5% ABV, 500ml), per drinker, or 66 cans per household.**

Alcohol use



**per
drinker**



235 cans
of beer



11 bottles
of gin/
vodka



39 bottles
of wine



35 cans
of cider



**per
household**



444 cans
of beer



21 bottles
of gin/
vodka



74 bottles
of wine



66 cans
of cider

1 CSO: Population and Migration Estimates, April 2021.

2 Revenue quarterly excise receipts and volumes:

<https://www.revenue.ie/en/corporate/information-about-revenue/statistics/excise/receipts-volume-and-price/quarterly-update.aspx>

- On-trade
- Off-trade



- **6,788 Bar/Pub** licences
- **607 Hotel** licences
- **520 Special Restaurant** licences
- **2,349 Wine Only** premises
- **117 Theatre** licences



- **Musgrave 37%**
- **BWG 23%**

The monetary value of the market

The CSO data from the most recently published National Accounts 2021³, indicates that Consumption of Personal Income at Current Market Prices on alcohol beverages was **€5.555bn**. Of this total, **€2.505bn** was spent on alcohol products purchased from the Off-Trade (supermarkets, convenience stores and specialised retailers: €48m per week or €6.9m per day).

This data reflects a year of restricted trade for those in On-Trade alcohol sales (bars, restaurants, clubs) due to COVID consumer concerns and public health trading restrictions.

In the most recent year of normal trading, 2019, Consumption of Personal Income i.e., at Current Market Prices on alcohol beverages (incl. pubs) was €7.651bn, or €147m per week, or €21m per day.

Who is profiting from Ireland's alcohol sales?

There is no specific public data available on the division of revenues within the broader alcohol industry, but much can be determined from what is available.

Firstly, let us examine the central division of On-Trade and Off-Trade market.

The On-Trade primarily includes licenced Bars & Pubs, Restaurants and Clubs/Theatres. In Ireland, there are approximately: 6,788 Bar/Pub licences; 607 Hotel licences; 520 Special Restaurant licences, 2,349 Wine Only premises, and 117 Theatre licences.⁴ The CSO data from the National Accounts (July 2022) indicate that in 2021, **€3.05bn** was spent in the On-Trade.

The Off-Trade is primarily supermarkets, convenience stores and specialised retailers. To legally sell beer, spirits or wine, requires an individual licence. In recent times, these licences are being grouped by Revenue, who administer alcohol licensing, into a Spirit, Beer & Wine Retailer's Off Licence. In 2022, there are 1368 such holders plus 1370 Wine Retailer's Off Licence.⁵

The most recently published compliance report from Responsible Retailing of Alcohol in Ireland Ltd (2017) suggests that were 1554 full Spirit, Beer & Wine Retailer's Off Licence premises and of these two corporate entities commanded approximately 60% of the Off-Trade market: Musgrave (Centra, SuperValu and Daybreak): 37% (582 premises), and BWG (Eurospar, Fresh, Mace, Spar, Londis and XL): 23% (360 premises).

The CSO data from the National Accounts (July 2022) indicate that in 2021, **€2.505bn** was spent in the Off-Trade.

Excise receipts to the State

In 2021, the state raised €1.176 billion in excise duties.⁶ Excise duties are not inflation indexed. There has been no increase in excise duty rates on alcohol products since Budget 2013.

3 CSO: Annual National Accounts 2021; Personal Spending. July 2022.

4 Revenue: Register of renewed liquor licences 2021/22 – <https://www.revenue.ie/en/corporate/information-about-revenue/statistics/excise/licences/liquor-licences.aspx>

5 ibid

6 General Excise Paper Tax Strategy Group – 22/08 (July 2022)

Who are the principal alcohol producers?

While the Irish alcohol market is highly competitive with a range of national and international alcohol brands evident, many of these brands are owned by a small number of transnational corporations. This reflects the globalised nature of the alcohol business.

Revenue in the global alcoholic drinks market amounts to US\$1,484 billion in 2022. The market is expected to grow annually by 10.01% (CAGR 2022-2025).⁷

The top five alcohol companies with significant brand presence in the Irish market are:

Diageo: Guinness, Baileys, Smirnoff, Johnnie Walker, Gordons Gin, Captain Morgan.

Pernod Ricard: Irish Distillers – Jameson, Powers, Redbreast; Absolut, Huzzar Vodka; Cork Dry Gin

Heineken: Heineken, Orchard Thieves, Beamish, Murphy's

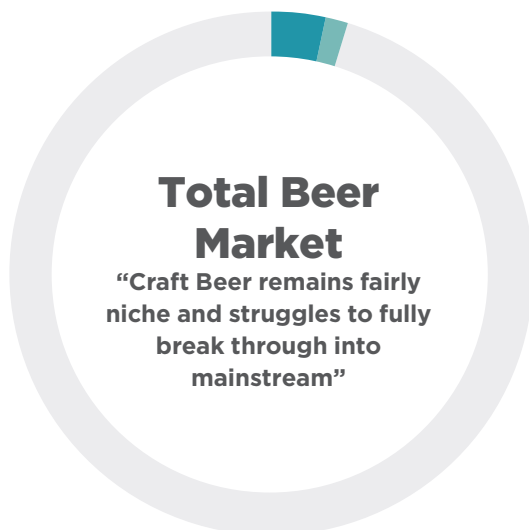
AB-InBev: Budweiser; Becks; Corona, Stella Artois

Constellation Brands: Corona; Mondavi, Woodbridge; Ruffino

Alcohol Companies	2021/2 Global Revenue*	Profits*
Diageo	£15.45 billion	£4.4 billion
Pernod Ricard	€8.82 billion	€2.42 billion
Heineken	€26.58 billion	€4.48 billion
AB InBev	\$54.3 billion	€4.67 billion
Constellation Brands	\$8.615 billion	\$1.99 billion

* published financial statements

- **Craft Beer 3.5%**
- **Non-alcoholic Beer 1.4%**



Whilst enjoying some growth since 2017, the Craft Beer market share in Ireland stands at 3.5% (total Beer market), well behind the likes of US (24%) UK (5%). According to Bord Bia, as a category, “Craft Beer remains fairly niche and struggles to fully break through into mainstream”.⁸

Non-alcoholic beer’s market share stands at just 1.4% (total Beer market) in 2021.⁹

7 <https://www.statista.com/outlook/cmo/alcoholic-drinks/worldwide>

8 Cultivating Craft Futures in Ireland - Bord Bia (2021)

9 Irish Beer Market Report 2021 - Ibec

Marketing spend

The alcohol producers, merchants and retailers commit significant financial resources to the marketing of their products. Among the international alcohol companies the standard 'rule-of-thumb' seems to be 15-20% of total revenues. For instance, Diageo, in its annual report for 2022 (Yr End 06/22), while outlines that it spent £2.721 billion on marketing; 17.6% of net sales.¹⁰ While Pernod Ricard spent €1.393 billion; 15.8% of gross sales.¹¹

In comparison, the US management consultancy, Gartner, Chief Marketing Officers' market survey of different industries, company sizes and revenue, highlight that average marketing budgets stand at 9.5% of total company revenue in 2022.¹²

Increasingly, transnational marketing spend is gravitating towards online, with up to 30% of expenditure now being dedicated to online digital activity: brand endorsing and promotion.¹³

In Ireland in 2021, an estimated **€116 million** was spent on alcohol marketing and promotion; €41.2m was spent by alcohol producers in traditional media (approx. 6% of the total Irish advertising market)¹⁴ and an estimated further €14.3m¹⁵ by the top six multiples (Tesco, Aldi, Lidl, Supervalu, Dunnes & Centra) in traditional media.

€20.524 million (50% traditional media spend) was spent on alcohol advertising on television: €5.467 million by Diageo, and €4.372 million by Heineken.¹⁶

The value of online alcohol advertising and promotion is not reported as transparently, but adopting a benchmark of 6% of total online spend (2021: €830m), a reasonable estimate is a further €49.8m was spent on alcohol digital advertising.¹⁷

In addition, there is alcohol brand promotion within commercial sponsorship. The total Irish sponsorship market is estimated at €182m, so again adopting a comparable criteria of 6%, indicates a further modest €11m¹⁸, **totalling an estimated spend of €116m.**

There is no calculation available for how much is spent by the alcohol industry on 'below-the-line' promotion and sponsorship leveraging.



- **€41.2m** traditional media
- **€14.3m** promotion within multiples
- **€49.8m** digital advertising
- **€11.0m** sponsorship

10 <https://www.diageo.com/en/investors/annual-report>

11 <https://www.pernod-ricard.com/sites/default/files/2021-09/Sales%20and%20Results%20FY21.pdf>

12 <https://www.gartner.com/en/newsroom/press-releases/gartner-survey-reveals-marketing-budgets-have-increased-to-9-5-->

13 Zenith. Business Intelligence: Alcohol Beer & Spirits

14 Nielsen AdIntel. <https://www.medialive.ie>

15 Estimated at 25% of total spend, as alcohol promotion features heavily in all multiples advertising.

16 *ibid*

17 IAB Ireland-PwC Online Ad spend Study 2021

18 SPONSORSHIP SET FOR 8% GROWTH AS 1 IN 2 UP THEIR GAME IN 2022

<https://www.onside.ie/intelligence-blog/2022/1/7/sponsorship-set-for-8-growth-as-1-in-2-up-their-game-in-2022-onside#:~:text=The%20Irish%20sponsorship%20industry%20grew,threshold%20first%20reached%20in%202018.>

Increasingly, alcohol brands, particularly beer and to a lesser degree, spirits, are leveraging a virtually identical non-alcoholic visual brand to extend the boundaries of alcohol promotion. A recent report by the Irish operations of the multinational media company, GroupM, highlighted this development:

“The sector which saw the highest level of growth in advertising spend in Ireland in 2021 was the drinks industry (both alcoholic and soft drinks), which saw an increase of 80 per cent. This was driven by a focus on the in-home trade for both alcoholic and soft drinks brands as well, as a pivot to supporting non-alcoholic variants in response to tightened advertising guidelines.”¹⁹

Alcohol Exports

In 2021, the Irish alcohol industry exported goods valued at €1.752 billion²⁰ - 1.06% of Total Goods Exports in 2021. Of this figure, the Irish spirits sector was valued at €1.2 billion.²¹ These exports made up 15% of the total Food (Diary, Meat, Seafood, Cereals, Prepared Foods) exports in 2021.²²

Alcohol Imports

In 2021, the Irish alcohol distributors, merchants and retailers imported goods valued at €932 million.²³

Thus, net alcohol exports in 2021 were €820m, or 0.0019% of Ireland’s GDP, or 0.0025% of GNP.



19 <https://www.irishtimes.com/business/media-and-marketing/drinks-industry-drives-20-growth-in-advertising-market-1.4768476>

20 CSO: Goods Exports and Imports, February 2022.

21 Drinks Ireland: <https://www.ibec.ie/drinksireland/news-insights-and-events/news/2022/07/27/irish-spirits-sector-shows-marked-recovery-in-2021-following-covid-impact>

22 <https://www.bordbia.ie/industry/news/press-releases/irish-food-and-drink-exports-enjoyed-a-record-year-as-value-of-sales-up-4-to-13.5bn-in-2021/>

23 CSO: Goods Exports and Imports, February 2022.

Alcohol related employment in Ireland

The Irish alcohol manufacturers employ an estimated 7,500 people.²⁴

The two digit NACE Rev. 2 employment series are the most detailed employment estimates published within the CSO Labour Force Survey (LFS) and only if underlying sample size allow.

The impact of this lack of granular data, is that one cannot accurately determine how many people are employed in:

- Wholesale of beverages (LFS: 46.34)
- Retail sale of beverages in specialised stores (LFS: 47.25), or
- Beverage serving activities (LFS: 56.30)

At the reported 2 digit LFS Economic sector: *Food and beverage service activities* (56), the latest Labour Force Survey (Q1, 2022) show 121,500 persons employed. **These roles are not exclusive to beverage service activities.**

Those employed exclusively with *Wholesale of beverages and Retail sale of beverages in specialised stores* are accounted within Wholesale trade, except of motor vehicles and motorcycles (46), and Retail trade, except of motor vehicles and motorcycles (47), respectively.

State investment in alcohol producers in Ireland

The 2021 National Treasury Management Agency (NTMA) *Portfolio of Investments: Ireland Strategic Investment Fund*, highlights **€30 million** funding, and equity investment, in Irish Whiskey Distilleries and West Cork Distillers.²⁵

The Secretary General of the Department of Finance and the Secretary General of the Department of Public Expenditure and Reform are Agency Members.

In a Parliamentary Question, March 2021, the Minister for Enterprise, Trade and Employment was asked to quantify the funding or investment by Enterprise Ireland and or Local Enterprise Offices to start-up microbreweries, alcohol enterprises and or distillery businesses in Ireland in 2018, 2019 and 2020.

Enterprise Ireland had approved grant funding to start-up micro-breweries, alcohol enterprises and or distillery businesses of **€3,459,992**, while Local Enterprise Offices had approved grant funding to start-up micro-breweries, alcohol enterprises and or distillery businesses **€1,056,128**.²⁶



24 CSO: Labour Force Survey. <https://www.cso.ie/en/statistics/labourmarket/labourforcesurvey/lfstimeseries/>

25 <https://www.ntma.ie/uploads/publication-articles/NTMA-Annual-Report-2021-English.pdf>

26 <https://www.oireachtas.ie/en/debates/question/2021-03-11/?highlight%5B0%5D=13816&highlight%5B1%5D=21>

State investment in transnational alcohol corporations

The 2021 National Treasury Management Agency (NTMA) Portfolio of Investments: Ireland Strategic Investment Fund, highlights **€12.268m** discretionary investments in quoted equities of alcohol companies across Europe, North America and Asia Pacific.²⁷

Alcohol businesses gifted excise reliefs worth €42,349,229 over ten years.



State subsidy to the indigenous alcohol producers

Over the last ten years – 2013-2021, the excise reliefs for microbreweries has provided **€42,349,229** (2021: €6,595,625) in total repaid /remittance to up 90 businesses. The purpose of the availability of excise reliefs for microbreweries is seemingly ‘to promote competition and diversity within the beer market and to help regional development.’²⁸

The microbrewery relief is already set at the maximum permissible rate under EU rules and the current production threshold ensures that all microbreweries are included.

Bord Bia made **€249,627** (€65,000: 2019; €54,527: 2018) marketing assistance grant payments to 39 alcohol producers in 2020.²⁹

During the recent COVID crisis the state subsidised or waived fees on a range of sectors throughout the economy. Alcohol On-Trade and Off-Trade retailers benefitted from a range of measures including a provision to waive excise duty, stamp duty and court fees for on-trade liquor licenses on renewal in 2020 until 30 September 2021 (this was then extended to 30 September, 2022). This is a further **€20 million** state subsidy.³⁰

Additionally, the government offered **€6 million** as 40% Restart Grant Plus Top Up for pubs, bars and nightclubs which remain closed to help them to reopen.³¹

In 2022, the Minister for Rural and Community Development, launched ‘Pubs as Community Hubs’ – a new initiative designed to support rural pubs and communities. Funding of **€50,000** has been provided to the Vintners Federation of Ireland (VFI) as part of the pilot programme.³²

More broadly, government expediency in advancing both the Intoxicating Liquor (Breweries and Distilleries) Act 2018, and the soon to be published Sale of Alcohol Bill, in a pretext of tourism and culture, demonstrate a tangible State support to the market value of alcohol brands and stimulus to greater alcohol availability, promotion and sale.

27 <https://www.ntma.ie/uploads/publication-articles/NTMA-Annual-Report-2021-English.pdf>

28 General Excise Paper. Tax Strategy Group – 22/08 (July 2022)

29 Bord Bia Annual Report 2020. (June 2021)

30 <https://www.gov.ie/en/press-release/44ebc-government-waives-court-fees-and-excise-duties-for-vintners-for-2021/>

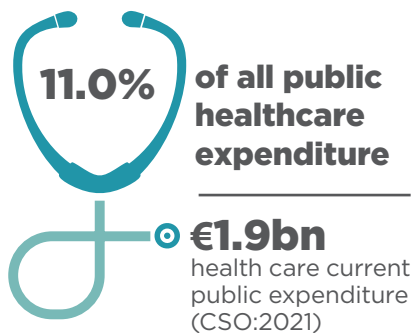
31 <https://www.gov.ie/en/press-release/ce77b-government-announces-16-million-package-for-pubs-bars-and-nightclubs/>

32 <https://www.gov.ie/en/press-release/db9cf-our-rural-future-minister-humphreys-launches-new-pubs-as-community-hubs-pilot-programme/#:~:text=The%20Minister%20for%20Rural%20and,support%20rural%20pubs%20and%20communities.>

Ireland's GDP is likely to be 1.9% lower on average between now



Estimated cost to the health system



Economic and social cost to the state of alcohol harm.

The OECD has estimated, based on Ireland's current use of alcohol, that the burden of health care costs alone will consume 4.1% of our health expenditure and that, consequently, Ireland's GDP is likely to be 1.9% lower on average between now and 2050.³³

A recent paper prepared by IGEES staff in the Department of Health and the Department of Public Expenditure and Reform³⁴, states:

"Previous estimates of the societal cost of problem alcohol use have produced estimates ranging from €2.4 to €3.7 billion per year, with annual healthcare costs alone having been estimated at between €0.8 and €1.5 billion."

The Health Research Board in 2016 outlined that:

"The estimated cost to the health system in 2012 of dealing with inpatients with either a wholly or partially alcohol-attributable condition was €1.5 billion, which accounted for 11.0% of all public healthcare expenditure that year";

11% of latest data on Health Care Current Public Expenditure (CSO:2021) would indicate that the cost is closer to €1.9bn.³⁵

Given the historical pattern of alcohol use in Ireland, it is probable that 400,000 people in Ireland are adult children from alcohol-impacted families. Data from the HSE (The Untold Story, 2018)³⁶, indicates that a further 200,000 children, today, are silently experiencing Hidden Harm – living with and impacted by problem parental alcohol use. The annual estimated cost of harm to others as a result of alcohol in Ireland is just under €863 million.³⁷

Awareness of the harms associated with adverse childhood experiences (ACEs) has increased substantially over the past two decades. There has been a proliferation of evidence on the prevalence of ACEs and their relationships with poor life-course health, which have a corresponding economic cost to Irish society.

The estimated total annual ACE-attributable disability-adjusted life-years (DALYs) and costs for Ireland are calculated at 2% of GDP, an ACE-attributable cost of a potential €7.7 billion (2109).³⁸

33 OECD report 'Preventing Harmful Alcohol Use' (2021).

34 Spending Review 2021; Focused Policy Assessment of Reducing Harm, Supporting Recovery: An analysis of expenditure and performance in the area of drug and alcohol misuse.

35 <https://www.cso.ie/en/releasesandpublications/ep/p-sha/systemofhealthaccounts2019/>

36 "The Untold Story: Harms Experienced in the Irish Population due to Others' Drinking" <https://www.drugsandalcohol.ie/28840/>

37 ibid

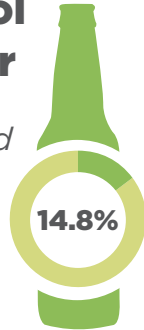
38 Health and financial costs of adverse childhood experiences in 28 European countries: a systematic review and meta-analysis.

<https://www.sciencedirect.com/science/article/pii/S2468266721002322>

The drinking patterns of

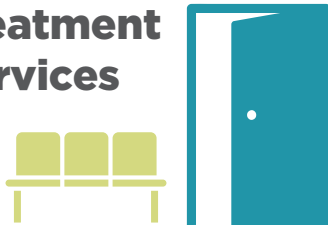
14.8% of the population – 578,000 people, show evidence of an alcohol use disorder

and an estimated **90,000** have severe problem



Alcohol treatment data 2021 shows

only 3018 new presentations gaining access to alcohol treatment services



State response to alcohol treatment and recovery

Accessing timely, effective treatment for problem alcohol use is crucial for recovery, but very many barriers to accessing treatment too often stand in the way of getting help.

The drinking patterns of 14.8% of the population in Ireland – 578,000 people, show evidence of an alcohol use disorder and an estimated 90,000 of these would have a severe problem.³⁹ This data from the 2019-2021 HRB Irish Drug and Alcohol Survey indicates that alcohol is by far Ireland's largest drug problem. However, alcohol treatment data for 2021 shows there were only 3018 new presentations gaining access to alcohol treatment services, indicating there is a significant gap between treatment needs and provision.⁴⁰

A Parliamentary Question from (PQ 45228/21; October 2021), highlights that in 2020, the total allocation for HSE Addiction Services and HSE Section 39 funding was **€106,768,174**.

The current spending on the HSE's 'Ask About Alcohol' website and information campaign was €54,245 in 2020, and **€67,000 in 2021**.

The HSE Drugs & Alcohol Helpline provides support, information, guidance and referral to anyone with a question or concern related to drug and alcohol use and/or HIV and sexual health. The budget for the Helpline was €136,000 in 2020 and **€144,000 in 2021**.

There is no published breakdown of how much of this expenditure is dedicated to alcohol services.⁴¹ By way of explanation for the lack of such detail, the HSE Social Inclusion cite:

A significant number of presentations are poly-substance use involving drugs and alcohol. Therefore beds are often interchangeable and treatment interventions cover the range of substances which may be misused.

There are currently only two HSE run detoxification and rehabilitation facilities for alcohol-specific rehabilitation and detoxification beds with 25 places available.

Two private facilities (Cuan Mhuire and Dublin Simon), contracted to the HSE, provide a further 187 places.⁴²

The funding allocated to Drug and Alcohol Task Forces at the beginning of 2021 was **€27,888,265**.⁴³ There is no published breakdown of how much of this expenditure is dedicated to alcohol services.

There are other harms from alcohol which are not costed because of lack of data collection - eg Ireland is estimated to have the third highest prevalence of Fetal Alcohol Spectrum disorder in the world yet no data is available on this significant harm either in terms of diagnoses, support services or outcomes.⁴⁴

Additionally, in 2021, Alcohol Forum Ltd., (Donegal) received €533, 128 HSE funding and €179,106 Tusla funding, while *Alcohol Action Ireland* received €240,141 HSE funding.

39 The 2019-20 Irish National Drug and Alcohol Survey. Main findings. (2021)

40 HRB 2021 alcohol treatment data (July 2022)

<https://www.hrb.ie/news/news-story/article/hrb-releases-2021-alcohol-treatment-data/>

41 <https://www.oireachtas.ie/en/debates/question/2021-02-24/876/>

42 <https://www.hse.ie/eng/about/personal/pq/pq/2021-pq-responses/september-2021/pq-45225-21-thomas-gould.pdf>

43 <https://www.oireachtas.ie/en/debates/question/2021-04-21/1910/>

44 <https://www.drugsandalcohol.ie/27779/>

Public Health Alcohol policy response

In 2018, the Oireachtas enacted the Public Health Alcohol Act, whose objective is to reduce alcohol use across the whole-of-population by 20%. The principal means of achieving this objective is the established of a series of statutory controls on alcohol price, promotion, placement, as well as the provision for accurate on-product health information.

Many of these measures have been commenced with the exception of those related to alcohol labelling (Sct.12), Broadcast watershed (Sct.19) on alcohol advertising and statutory controls on the Content of Alcohol Advertising (Sct.13), principally aimed at diminishing the reach of alcohol brand proposition to children.

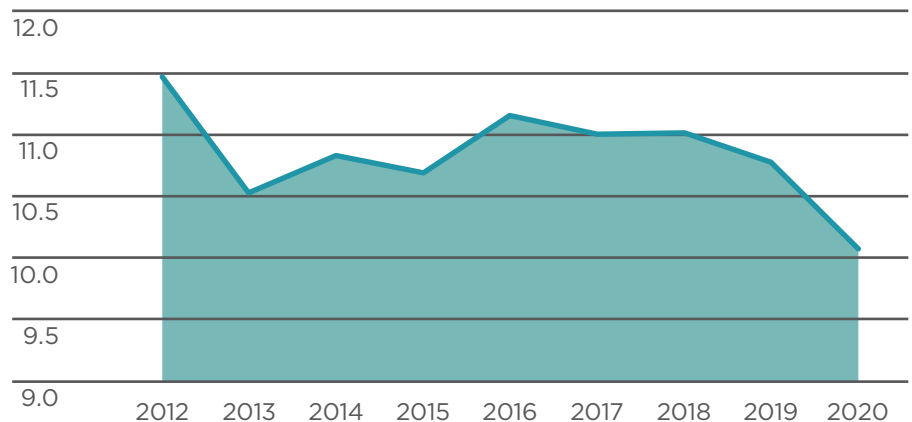
The National Drugs Strategy 'Reducing Harm, Supporting Recovery 2017-2025' contains few specific alcohol-related objectives.

Discussion

Over the past decade in Ireland there has been a heightened awareness of alcohol harm, and its impact on the social and economic fabric of the nation, among Ireland's drinking population. Arguably, this has been largely stimulated by an advocacy and political discourse focused on the scale of the harm and the public policy responses required.

This level of public discourse, media scrutiny and political policymaking, has contributed to stabilising the levels of alcohol use across the whole-of-population with alcohol use in 2019 (the most relevant, pre-Covid market conditions) recorded at 10.8 litres per capita, a 6% reduction on 2012, when alcohol use stood at 11.5 litres per capita.

Alcohol consumption in Ireland, litre/per capita >15 years



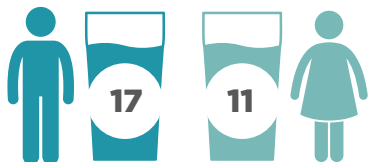
The immediate 18-month period of Covid market conditions have undoubtedly altered the pattern of population alcohol use.

Initially, in the nine months of Covid restrictions in 2020, off-trade sales increased dramatically as drinkers, denied access to the On-Trade, purchased more alcohol from the Off-Trade. Yet, despite on-trade premises being closed for 40 of the 52 weeks, overall alcohol consumption in 2020 fell by only 6.6%.

Similarly, in 2021, albeit with less market restrictions, alcohol use fell back by 4.7%, with alcohol use (whole-of-population) to stand at 9.5 litres per capita. An objective analysis would suggest that the alcohol market will rebound in the normal market conditions of 2022. However, the introduction of minimum unit pricing for alcohol products in January 2022, plus the first full year of new alcohol controls from the Public Health Alcohol Act operating under normal trading conditions, may contribute to sustaining this lower level.

Department of Health/HSE
weekly low-risk drinking
guidelines;

17 standard drinks for men and 11 for women



An open question remains about how much volume will return to the On-Trade? And will the alcohol consumer shift some of its purchasing to the Off-Trade, permanently? Prior to the pandemic approximately 30% of alcohol volume was purchased in the On-Trade. The recent publicity campaign by the Vintners' to have excise duties reduced by 15%, suggests there may be some concern about the profitability and/or sustainability of their business models.⁴⁵

Equally, can greater progress now be made towards getting all alcohol use within the parameters of the Department of Health/HSE low-risk drinking guidelines; at 17 standard drinks for men and 11 for women per week, Ireland's alcohol use would be nearer to 7 litres per capita.

Whether the direction of travel on alcohol use is stabilising, or declining, is difficult to determine without having access to accurate data for a full year of normal trading. Tentative signs indicate some movement towards the latter. This will impact on the tax take by State from alcohol sales; an obvious consequence of evidence-based public health policy. The application of an inflation index to all alcohol excise duties, as operated in other European countries, such as: Italy, France, Spain and Belgium, could mitigate these circumstances.

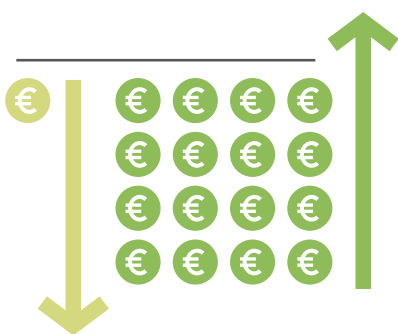
The presence of such monopolistic players in the Irish alcohol market distorts competition and encourages significant profit accumulation in a few hands, dominated by shareholders of transnational alcohol companies. However, this exclusive corporate profile does facilitate a relatively easy application of a proposed alcohol harm levy on all alcohol sales.

The Pre-Budget submissions by Alcohol Action⁴⁶ over many years have highlighted these matters, particularly with a view to demonstrating to the State that the alcohol industry should be required to fund better alcohol treatment and recovery services for those impacted by alcohol harm. The State's response to alcohol harms is an expensive burden to its citizens.

The State's response is not without significant funds, however scrutiny could be undertaken to assess how effectively these resources are being deployed. Consideration should also be given as to how accessible and timely services at the nearest point of community, can be provided to meet the opportunities for recovery which are presenting.

At €116 million, the alcohol industry's annual marketing expenditure appears substantially higher than the expenditure of the State in funding alcohol treatment services and recovery, as well as educational or community preventative programmes. The alcohol industry through its Social Aspects Public Relations Organisation: Drinkaware, appears to spend more on shaping its preferred and conflicted educational message, than the State spends on delivering evidence-based, public health informed harm reduction messaging.

The OECD in July 2021 highlighted the return in investment from meaningful interventions and preventative programmes on harmful alcohol use: for every €1 invested in the policy initiatives, €16 are returned in benefits.⁴⁷ This reaffirms the advice of the World Health Organisation to Member States on alcohol action plans.



for every

€1 invested

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**€16 are returned
in benefits.**

45 <https://vfipubs.ie/news/latest-news/vfi-calls-for-15-reduction-in-excise-duty/#:-:text=Ahead%20of%20Budget%202020%2C%20DIGI,additional%207.5%25%20in%20Budget%202021.>

46 <https://alcoholireland.ie/alcohol-action-call-for-progressive-action-to-address-irelands-problematic-alcohol-use-in-pre-budget-submission/>

47 OECD report 'Preventing Harmful Alcohol Use' (2021)



The examination of the State's financial commitment to the alcohol industry, detailed earlier, whether through topline equity investment or corporate welfare in the shape of subsidies and supports, suggests a certain ambiguity and perhaps naivety in the perceived reputational value of the industry and the societal cost it must sustain managing alcohol harm.

There is little awareness of the individual drinker's contribution to the cost of alcohol related harm, estimated at €3.6bn per year, despite improvement in health literacy about alcohol harm, over the last decade. Analysis of the volume of pure alcohol sold in Ireland in 2021 (38,113,405 litres), **suggests that the harm impact of each Standard Drink is €1.18. So, for each of those hazardous alcohol users consuming 30 standard drinks per week, the cost to the state of the likely alcohol related harm is €35 per week; over a year of frequent drinking that amounts to €1,800 beyond the actual financial product cost to the individual drinker. This huge cost is of course borne by each citizen and taxpayer.**



€1.18 harm impact
of each Standard Drink

€35 per week

the cost to the state of the likely alcohol related harm for each of those hazardous alcohol users consuming 30 standard drinks per week

The public policy response since 2018 to Ireland's persistent problem alcohol use has been driven by the framework within the Public Health Alcohol Act 2018, however its efficacy is reliant on the full suite of measures, developed by the National Substance Misuse Steering Group, and informed by the WHO global alcohol action plan, being implemented coherently and cohesively. Four years after enactment, major pillars remain to be implemented and so little is in place to impede the enrolment of the 50,000 children who will commence drinking this year or a lifetime of income to the alcohol industry.⁴⁸

Central to the alcohol industry's corporate reputation within Irish society is arguably an inflated importance to the economic contribution to Ireland prosperity and international prowess. However, as the net exports data demonstrates, while the enterprise of the industry is notable, it is not, for instance, any more notable than the enterprise of the photographic apparatus; optical goods; watches and clocks, sector. It is difficult to recall or locate any significant media insight or obsequious political endorsement of these particular industrial manufacturers.

As the Labour Force Survey data reveals the numbers of people employed in alcohol manufacturing, though notable, are similar to that of those employed in Waste collection, treatment and disposal activities; materials recovery. More broadly, while the alcohol industry seeks to claim entrepreneurial title to employing 175,000 people, or nearly 8% of the Irish workforce⁴⁹ these numbers are not evident in the available CSO data.

It is clear that the alcohol industry enjoys a preferred, and favoured, position within Irish society, and significant media and political patronage to sustain an inflated reputation, which obscures its negative contribution to persistent levels of alcohol harm that costs the State multiples of any commensurate taxes collected.



Additionally, it is probable that in holding such an overstated and enthralled regard for the alcohol industry may limit an adequate public policy response to addressing the scale of alcohol use disorders in Ireland; it disallows a clarity of analysis of the loss of so much human potential to alcohol harm and the impact to our economic future.

48 HEALTH BEHAVIOUR IN SCHOOL AGED CHILDREN STUDY 2018

49 <https://vfipubs.ie/news/latest-news/vfi-calls-for-15-reduction-in-excise-duty/#:~:text=Ahead%20of%20Budget%202020%2C%20DIGI,additional%207.5%25%20in%20Budget%202021.>

Conclusion

Given the continuing, largely preventable, poor outcomes from alcohol use in Ireland, and the disparate approach adopted by the State and its agencies to meaningfully address either intervention or prevention, or provide adequate timely treatment services or programmes for those impacted from harm to others, now is an appropriate time to examine the establishment of an Office, similar to that undertaken for Tobacco – Office of Tobacco Control, or Road Safety – the Road Safety Authority (RSA), which have led to innovative strategic initiatives and significantly better public health outcomes, in their respective fields.



The establishment of a dedicated Alcohol Office, within an enhanced public health function, would drive accurate data collection, policy formation and public health objectives; act as a catalyst to craft a whole-of-government approach to alcohol related harms, motivate societal behavioural change through greater awareness and education campaigning, and improve health literacy on issues of risk from alcohol use.

Without a sustainable State intervention now, the loss of so much human potential – creative, entrepreneurial and innovation, from such persistent problem alcohol use, will continue to have a profound impact on Ireland’s economy and society.

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AlcoholAction 
Ireland