

Brussels, Belgium, 2nd July 2013

Cheaper beer in Denmark – How many lives will be lost?

The Danish government cut the beer tax by 15% on the 1 July and made alcohol more affordable for not only its own population, but also the neighboring countries like Sweden and Norway (that have higher taxes).

In 2004 Finland cut the tax by 33% and consumption increased by 10%. This led to increase in alcohol related harm, not only for the drinker, but also the children and innocent bystanders¹. It has been reported that alcohol related deaths increased by 23%, this is sadly 207 lives lost.

According to the Danish Government it is abandoning a beverage tax that is allegedly costing the country millions of Euros as consumers cross the border to shop in Germany. Finance Minister Bjarne Corydon is hoping for a “powerful growth spurt” to the Danish economy. However, the impact evaluation of changes on health and social care sectors (emergency room and drink driving etc.) is missing.

A survey by the Danish Grocers’ Trade Organisation (DSK) 60% of Danish households has bought beer or soft drinks in Germany within the past year. However, surprisingly only four years ago, 60% of the households said in the same survey that they “never” traded at the German border.

The potential danger is that we might be witnessing a race to the bottom- decrease of taxes in one country will lead to decreases in taxes in the neighboring countries – all for the benefit of “growth and spurt”.

The issue of alcohol excise duties would be best addressed at the European Union level, as countries are often affected by interventions beyond its powers to control.

In the EU current minimum excise duties have not been changed since 1992, meaning that their real value has decreased approximately one third because of inflation. Back in 2006 the European Commission had made a proposal to adjust minimum levels for inflation. At that time unanimity was not obtained and the proposal remains ‘still on the table’ in the Council.

Mariann Skar, Secretary General of European Alcohol Policy Alliance (Eurocare), said that *“Increase in alcohol excise duty rates would in most countries lead to increased alcohol tax revenues for the public budgets. Given the current economic crises and search for more money it makes perfect sense to increase alcohol taxes and we are calling on the European Commission to revise the European Directives on alcohol excise duties.”*

¹ Osterberg Esa L. (2011) *Alcohol tax changes and the use of alcohol in Europe* Drug and Alcohol Review Vol 30, p 124-129



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EUROCARE (The European Alcohol Policy Alliance) is an alliance of non-governmental and public health organisations with around 55 member organisations across 24 European countries advocating the prevention and reduction of alcohol related harm in Europe.

www.eurocare.org

FACTS AND FIGURES ON ALCOHOL

- Europe has the highest drinking levels in the world, the highest alcohol per capita consumption and the highest alcohol- related harm problems.
- Chronic diseases, to which alcohol is the 3rd main contributory factor, are in the top of global risks next to such threats like fiscal crises and are expected to cost global economy over 30 trillion USD over the next two decades.
- €155.8 billion is the social costs attributable to alcohol in the EU on a yearly basis
- 1 in 4 of male deaths between 15-29 years are due to alcohol
- Alcohol is a major contributory factor in accidents; 1 in 4 of all road traffic deaths are caused by alcohol
- Alcohol is a risk factor in some 60 diseases such as cancer, liver cirrhosis etc. Taking all diseases and injuries at global level into account, **the negative health impact of alcohol consumption is 31.6 times higher than benefit**