



The National Substance Misuse Strategy
Minority report by the Alcohol Beverage Federation of
Ireland

Introduction

The Alcohol Beverage Federation of Ireland (ABFI) is the umbrella organisation for drinks industry manufacturers and suppliers. ABFI works to promote and support an environment that encourages the sustainable and responsible development of the alcohol beverage manufacturing sector in Ireland.

The Irish drinks industry is a major national industry providing over 60,000 direct and indirect jobs, generating approximately €2 billion in excise and VAT revenues for the State, and supporting some of Ireland's most successful international export products. Last year, our exports were valued at over €1bn, which is comparable to the total exports of prepared consumer foods.

Our industry also plays a crucial role in domestic tourism, through the facilities and services we provide and our sponsorship of hundreds of cultural and sporting events and festivals.

Our industry is currently facing major challenges due to the difficult economic environment and the significant change in consumption and structure of the drinks market. However, we continue to work to promote a responsible attitude to alcohol in Ireland. We do this through the successfully implemented suite of self- and co-regulatory codes of practice that we have agreed with Government on alcohol marketing, advertising, and sponsorship. We also provide a €20 million investment in Mature Enjoyment of Alcohol in Society (MEAS) and the highly visible www.drinkaware.ie, a consumer focused initiative aimed at reducing the culture of excessive drinking and promoting the responsible use of alcohol, while at the same time challenging anti-social drinking behaviour.

ABFI was and remains an active and fully engaged member of the National Substance Misuse Strategy Group (NSMS). While ABFI objected to the concept of establishing the steering group to develop a joint strategy on drugs and alcohol, we attended and participated in all of the meetings of the steering group in a constructive and positive manner. ABFI objected – and still does - to the establishment of the joint strategy on the basis that, unlike illegal drugs, alcohol is a legal licensed product, which when consumed in a responsible manner can form part of a healthy, balanced lifestyle. Its establishment was not recommended by the National Drugs Strategy (NDS) working group of 2009.

Despite these reservations, there is much in the majority report to be commended. ABFI supports the majority of the recommendations, in particular those which relate to community level activities, treatment and rehabilitation resourcing and prevention actions, such as education interventions, youth reach programmes, provision of alcohol free venues and activities for the youth and measures aimed at families. As far back as 2007, ABFI agreed to support Department of Health legislation to provide pregnancy advice and unit labeling of alcohol content on labels – a key recommendation in this report.

ABFI also supports those recommendations in the Supply Chapter which relate to greater enforcement of drink driving and age verification regulations, taking an all-island approach to legislation and establishing standards for responsible serving of alcohol programmes.

However, we have serious concerns about certain aspects of the majority report now being presented to the Minister for Health. Many of these concerns have already have been articulated at the meetings of the Working Group, but were not reflected in the final report.

These concerns relate specifically to the recommendations on pricing; the social responsibility levy; structural separation in retail outlets; restrictions on certain promotions; restrictions and bans on alcohol advertising; a ban on alcohol sponsorship and the introduction of new low risk weekly guidelines on alcohol consumption.

We have three overarching concerns with the report:

- Lack of all available evidence to support some of the report's recommendations;
- The ineffectiveness of legislation to tackle misuse contrasted with the success of co-regulatory codes of practice that are already in place and are flexible, responsive and highly effective;
- The devastating impact that many of these recommendations will have on jobs, businesses, and livelihoods in our industry at a time of deep recession;

On that basis, we feel we are unable to subscribe to the final report of the National Substance Misuse Strategy Group and therefore submit this minority report.

This minority report reflects our commitment to the promotion of responsible consumption of alcohol in Ireland. We believe that responsible consumption can only come about over a period of time through a cultural change in our collective attitude towards alcohol. That change can be fostered by evidence-based solutions, including education and public awareness campaigns, sensible co-regulation and partnership between industry, government and other stakeholders.

ABFI openness to partnership approach

In recent years, the drinks industry has proven its commitment to partnership with all those who have an interest in the responsible consumption of alcohol. This includes our participation in Social Partnership in the last decade, our involvement with the Department of Health and Children in the drawing up of co-regulatory codes in 2002, (which were strengthened in 2008), regarding the marketing, advertising and sponsorship of alcoholic beverages and various other initiatives, such as the Responsible Serving of Alcohol programme and the Responsible Retailing of Alcohol in Ireland. In addition, ABFI has made a commitment to the EU Alcohol and Health Forum to promoting positive drinking behaviours through the drinkaware.ie campaign.

This partnership approach is recognised by the World Health Organisation which stated, in 2010, that it sees a role for “intergovernmental organisations, health professionals, nongovernmental organizations and economic operators on ways they could contribute to reducing harmful use of alcohol”.¹ The WHO also stated that:

Economic operators in alcohol production and trade are important players in their role as developers, producers, distributors, marketers and sellers of alcoholic beverages. They are especially encouraged to consider effective ways to prevent and reduce harmful use of alcohol within their core roles mentioned above, including self-regulatory actions and initiatives².

Again in September 2011, the UN *Political Declaration of the High-Level Meeting on the prevention and control of non-communicable diseases (NCDs)* calls on national governments “to engage non-health actors and key stakeholders, where appropriate, including the private sector and civil society, in collaborative partnerships to promote health and to reduce non-communicable disease risk factors, including through building community capacity in promoting healthy diets and lifestyles”.

ABFI would also draw attention to the UK Responsibility Deal that sees Government, health professionals and industry act in partnership to achieve targeted goals within an achievable and measurable framework. Such an initiative provides a useful model for Ireland to learn from. We are hopeful that the Government’s newly announced *Your Health is Your Wealth* initiative will provide a model for such a partnership in this country.

ABFI profoundly regrets that of all the recommendations, not a single one identifies a role for the drinks industry in helping to tackle alcohol misuse.

- **ABFI is open to partnership with Government and other stakeholders and believes the UK Responsibility Deal offers an excellent model for this. ABFI believes partnership is the only way that effective solutions to alcohol misuse can be found.**

ABFI opposition to the principle of a combined strategy

In April 2009, ABFI expressed disappointment and concern at the Government’s decision to proceed with a joint alcohol and illegal drugs strategy. ABFI believed at the time - and still believes now - that there are fundamental differences between alcohol (a legal, licensed product which when consumed in moderation does not pose a risk to health) and illegal drugs.

¹ WHO, *Global Strategy to Reduce the Harmful Use of Alcohol*, 2010.

² WHO, *Global Strategy to Reduce the Harmful Use of Alcohol*, 2010

Inappropriateness of the terms of reference

The title of the strategy is the National Substance *Misuse* Strategy. Therefore, at steering group meetings, ABFI objected to the fact that the terms of reference referred to the “harm caused by alcohol” and suggested that instead it refer to the “harm caused by alcohol misuse”.

Such an approach would have recognised that most people consume alcohol responsibly, would be consistent with the stated remit given to the steering group as set out by the Government and instil greater public confidence in the strategy.

ABFI believes that the terms of reference adopted by the group are inappropriate and go beyond the remit given to the group by the Minister. This has resulted in the inclusion of certain recommendations which, we believe, will not target misuse.

Lack of an adequate evidence base

The stated aim of the former Minister for Community, Equality and Gaeltacht Affairs Pat Carey TD, who established the steering group, was that the new strategy would be evidence-based.

It should also be noted that the World Health Organisation is of the view that “public policies and interventions to prevent and reduce alcohol-related harm should be guided and formulated by public health interests and based on clear public health goals and the best available evidence”³. ABFI does not believe that the steering group report meets this set of criteria because not all of “the best available evidence” has been utilised. Later in this minority report, we have highlighted where other evidence should have been included.

ABFI also raised concerns that there was no representation from other industries who work with the drinks industry, for example marketing, media and creative agencies and others, such as sporting and cultural bodies which will be significantly impacted by some of the proposals.

Further, ABFI regrets that no cost-benefit analysis of the report was ever conducted and no economist analysed the recommendations made. We are therefore calling for a Regulatory Impact Assessment to be carried out on the recommendations, we have highlighted in this minority report, so that the consequences of the report’s recommendations are made clear. We would also like to draw attention to the fact that the original intention of the strategy was that its proposals would be cost-neutral to the State.

Ineffectiveness of targets and the population-based approach

ABFI disagrees with the population-based approach set out in the report. This will not solve alcohol misuse Alcohol consumption in Ireland is down over 20% in the last ten years⁴, but misuse remains a major concern. The report refers primarily to the negative impact of alcohol misuse, which we fully accept is a problem in Irish society. However, there is little detailed reference to the positive health effects of moderate consumption.

Although the vital role played by the pub in Irish life is referred to in the introduction of the report, by looking only at population-based targets, the report makes a series of recommendations that would cause great damage to the Irish pub. ABFI believes that many of the recommendations will simply lead to more people consuming alcohol in the home rather than in the controlled and sociable environment of the pub.

It should be noted that alcohol consumption in this country now stands at 1995 levels and has fallen by over one fifth since 2001. This trend is continuing in 2011 and without any further action the average alcohol consumption per adult will be 10.3 LPA by 2016.

³ WHO, *Global Strategy to Reduce the Harmful Use of Alcohol*, 2010.

⁴ Industry figures based on CSO and Revenue Commissioners data.

Instead, ABFI believes in specific, targeted interventions to avoid and combat alcohol misuse. For example, a study undertaken in 2009⁵ examined the effects of a school-based education intervention in 30 public schools in Germany. It found a lower level of life-time binge drinking after the intervention⁶. A similar project was carried out in Croatia in 2008. The authors found that *'qualitative data suggest benefits from the program overall. Given the intervention was successful in the earlier grades it should be initiated earlier to have a greater impact'*⁷. The effectiveness of interventions is increased if they involve skills training, families, peers and community engagement⁸.

The following are our key objections regarding specific recommendations:

THE SUPPLY CHAPTER

Recommendation 1- Pricing

As expressed during the NSMSG working group meetings, ABFI does not accept that price is the key driver of alcohol misuse. We have some concerns relating to the specific recommendations on excise and minimum pricing. Alcohol prices in Ireland are already much higher than in most other European countries. Research conducted by Eurostat shows that Irish alcohol prices are 170% of the EU average. Alcohol prices in the UK are 142% of the EU average while prices in Spain are only 80% of the EU average.

Specifically, the report fails to present the case for using price and taxation to tackle alcohol misuse and does not take account of a number of studies that exist on this subject.^{9 10 11} Other academic evidence shows that moderate drinkers are generally the most price elastic, and that the 95th percentile of drinkers has elasticity not significantly different from zero¹². In addition, a number of studies, which were not considered by the group, conclude that price increases are not effective in reducing young people's alcohol consumption. For example:

- Many reports have found that an increased price has only small effects on teen drinking;^{13 14 15}
- Recent studies of young people's drinking behaviour indicate that young people react to high prices on alcohol not by reducing their alcohol consumption, but by substitute behaviour such as drinking sessions at home before embarking on a night out.¹⁶
- It is also interesting to note that the majority of Europeans do not believe that increasing prices would have an impact on reducing drinking among heavy drinkers or young people.¹⁷

Recommendation on excise duties

The group states that increasing excise duties is one of the most effective methods of reducing alcohol consumption. However, this statement fails to take in to account that Ireland continues to have some of the highest alcohol taxes in Europe. A new report¹⁸, published by the Drinks Industry Group of Ireland, using data from national consumer statistics associations, published in July 2011, shows that Ireland is one of four countries along with Sweden, Finland and the United Kingdom, whose alcohol taxes are significantly greater than in other European countries.

⁵ CEPS – the European Spirits Organisation and the European Forum for Responsible Drinking (EFRD), Getting the Facts Right on Underage Drinking 2009

⁶ Morgenstern et al, 2009)

⁷ West et al, 2008, p. 55

⁸ Jones et al, 2007

⁹ Gallet, C. A. (2007), The Demand for Alcohol: A Meta-analysis of Elasticities, Australian Journal of Agricultural and Resource Economics, 51, 2, 121-135.

¹⁰ Wagenaar, A. Salois, MJ, Komro, KA (2008). Effects of Beverage Alcohol Taxes and Prices on Consumption - A Systematic Review and Meta-analysis of 1003 Estimates from 112 Studies.

¹¹ Meier et al, 'Independent Review of the Effects of Alcohol Pricing and Promotion, Part B, University of Sheffield, 2008.

¹² Manning, W.G., Blumberg, L., & Moulton, L.H. (1995). The demand for alcohol – the differential response to price. Journal of Health Economics, 14(2), 123-148.

¹³ Dee, T.S. (1999). State alcohol policies, teen drinking and traffic accidents. Journal of Public Economics, 72: 289-315.

¹⁴ Easton, B.H. and Kay, L.B. (1982) The Impact of Taxation on Alcohol Consumption. Alcohol Advisory Council Research Report Series No.1: A contract study by the New Zealand Institute of Economic Research for the Alcohol Advisory Council: Wellington.

¹⁵ Manning, W.G., Blumberg, L., & Moulton, L.H. (1995). The demand for alcohol – the differential response to price. Journal of Health Economics, 14(2), 123-148.

¹⁶ Moore, K et al (2011), Emerging Drug Trends in Lancashire Lancaster University.

¹⁷ 68% of Europeans surveyed according to Eurobarometer 2007.

¹⁸ DIGI, *International Comparisons of Irish Alcohol Taxation within the European Union in 2011.*

This report shows that, for spirits and wine Ireland has the third highest tax levels in Europe and for beer we have the fourth highest levels of the 27 EU countries. On a composite alcohol excise level, Ireland is the fourth highest after Sweden, Finland and the UK. However, the level of alcohol taxation is over double that of the fifth ranked country, Denmark, and substantially higher than all other European economies. Currently, in real terms, **approximately 60% of the price of a bottle of spirits is attributable to tax; for a bottle of wine it is approximately 30%; and for a pint of beer it is approximately 27%.**

Surely, if excise was the way to address alcohol misuse, then Ireland would have solved that problem already. ABFI believes that the evidence outlined above makes the case against using price – specifically excise - as a tool to reduce alcohol misuse.

It should be noted that at present alcohol prices remain higher in the Republic than in Northern Ireland in many cases. Due to a beneficial exchange rate in 2009, huge levels of cross-border alcohol purchases took place, driving much needed revenue out of the State. Any drive to increase alcohol excise - and price - could lead to a return to such cross-border shopping, resulting in no decrease in alcohol consumption but a very real decrease in revenues.

Furthermore, ABFI believes that an increase in excise duties would lead to a situation where pubs would be forced to increase their prices, while supermarkets would be in a better position to absorb the increased duties and not pass them on to consumers. This, in turn, would see less “regulated” drinking in pubs and more “unregulated drinking” in homes.

- **ABFI believes higher excise duties would not impact on levels of alcohol misuse, but would lead to a further decline in the on-trade and to a loss of excise revenue from increased levels of out-of-state purchasing.**

Recommendation on minimum pricing

ABFI notes the recent comments from the Department of Enterprise, Trade and Innovation expressing concern at the competition implications around minimum pricing. On RTE on January 4 2011, it was reported that “A Department of Enterprise spokesperson.....said the move to introduce a minimum price on alcohol could give rise to legal issues under competition legislation. These issues, he said, would have to be considered by the Competition Authority”.

Best practice would seem to suggest that before making a recommendation to a Minister, advice on the legality of that recommendation would have been sought, particularly if there was a legal question mark surrounding it.

ABFI believes the advice of the Attorney General should have been sought by the group before making the recommendation.

ABFI would like it noted that it opposed the decision, made in March 2006, to abolish the ban on below cost selling in the grocery sector because of our belief that it could lead to alcohol being used as a loss leader to drive greater footfall. This has been borne out by ensuing retailer activity since 2006, which has seen low prices and deep discounting of alcohol products.

By re-instating the ban on below cost selling of alcohol, the worst excesses of such promotions could be curbed, while allowing retailers to continue to offer consumers value for money. This was originally recognised in the report. However, despite objections by the alcohol industry during the meetings, it was removed.

- **ABFI believes the legality of setting a minimum price for alcohol should be investigated prior to making this a recommendation to the Minister. Should the Government opt to act on the issue of alcohol pricing, ABFI supports the reintroduction of the ban on below cost selling as the most effective means of addressing this issue.**

Recommendation 2 - Social Responsibility Levy

The report suggests that a *social responsibility levy* could fund the cost of social marketing and awareness campaigns addressing social and health harms caused by alcohol misuse. The report also states that the levy could fund and support sporting and other large public events that help to provide alternatives to a drinking culture for young people. ABFI does not share this view.

The introduction of such a levy ignores the fact that the Irish drinks industry already contributes significantly to the economy - generating approximately €2 billion in excise and VAT, providing over 60,000 direct and indirect jobs and supporting some of Ireland's most successful international export products. Last year alcohol exports were valued at over €1 billion, which is comparable to the total exports of prepared consumer foods. The €2 billion¹⁹ in revenue from excise and VAT funds many health and social services in Ireland.

The report is not specific on how the tax would be levied, the rate at which it would be levied or how much is hoped to be raised. ABFI believes that this particular recommendation should have been reviewed by economists to examine the efficacy and practicality of the proposed levy.

Currently, the drinks industry funds an effective responsibility campaign through the Mature Enjoyment of Alcohol in Society (MEAS) and drinkaware.ie. Industry's funding for this campaign amounts to €20 million over five years. ABFI is of the view that this campaign is connecting with consumers in a way no other campaign has done before. . After one drinkaware.ie initiative in 2011, research showed that 91% of all adults (who had seen the ad) claimed that the key advertising messages in the drinkaware campaign makes them realise the unacceptability of public drunkenness²⁰. This was up 15% from the benchmark study carried out in 2008.

The report suggests that the industry should pay for, but have no influence over the promotion and messaging for the responsible use of the products they produce and sell. The drinkaware.ie initiative, has gained significant traction with consumers since it was established in 2006. It therefore, makes no sense to replace it with an alternative programme which will require significant resources if it is to resonate with consumers as successfully as the current initiative.

ABFI does not accept that that the money generated by the proposed levy will be ring-fenced to fund sporting and other large events in the long term. As pressure on the public finances intensifies due to the current or any future economic downturn, so too would calls for such funds to be used to maintain frontline public services rather than sporting and cultural events.

The drinks sector cannot afford to absorb such a levy. The sector in Ireland has suffered a significant decline over the past number of years. Sales in the on-trade have declined by 28% in the four years since June 2007. Employment in drinks manufacturing have also fallen. This levy would effectively become another tax on doing business in Ireland. The ability of the global and domestic companies to attract investment would be compromised by the introduction of such a levy on companies operating in Ireland. If the drinks sector cannot absorb such a tax, it is reasonable to assume that this levy will become another tax for responsible consumers as it will simply be passed on. The last thing that the consumer needs is another tax, on top of the extremely high taxes they already pay on alcohol.

- **ABFI does not believe the proposed social responsibility levy is feasible and believes it would not be channeled into alcohol misuse related programmes.**

Recommendation 3 - Section 16 of the Intoxicating Liquor Act 2008

ABFI shares the concerns of the group regarding irresponsible volume based promotions offers but is concerned that some of the proposals in the report could have a series of unintended consequences. The proposal to enact Section 16 of the Intoxicating Liquor Act 2008 will not, in ABFI's view, reduce alcohol misuse but will prohibit retailers from offering any value to consumers and may lead to more consumers travelling north of the border to bulk-purchase their alcohol.

Among ABFI's concerns are:

- The likelihood that the regular pricing structure of packaged alcohol may become permanently "discounted". This will mean that the value normally obtained from the purchase, for example, of a six-pack of beer, will no longer be available, which could drive down the price of a single unit.

¹⁹ Drinks Industry Group of Ireland, citing CSO.

²⁰ MEAS, 2011

- This scenario may lead to a race to the bottom, as retailers wishing to provide the cheapest unit price will increase imports of packaged alcohol from countries with lower production costs, thus endangering the jobs in the domestic manufacturing sector.
- While promotions involving large volumes of alcohol could be considered as irresponsible, other offers provide value to consumers without encouraging excessive consumption. The recommendations of the report would result in a further weakening of domestic demand for our industry's products but will not impact upon consumption because of the availability of promotional offers in Northern Ireland.

ABFI has already corresponded and met with the Department of Justice, Equality and Law Reform to discuss how to effectively curb irresponsible promotion. Thanks to the success of the *Responsible Retailing of Alcohol in Ireland* code, much of this type of promotional activity has already been removed from the retail environment. ABFI believes this is the most effective course of action.

On the 30th of June this year, at a 2nd stage Seanad Éireann debate, the Minister for Justice, Equality & Defence stated that “practices which generally tend to lead to excessive alcohol consumption could be addressed under an appropriate code”.

ABFI also believes that it is extremely premature of the group to put forward a recommendation to commence Section 16 of the Intoxicating Liquor Act prior to completion of a review of the RRAI code, announced by the Minister for Justice, Equality & Defence, which will take place later this year.

- **ABFI believes that Government and industry should continue to work in partnership to reduce irresponsible promotion of alcohol and await the outcome of the review of the RRAI code.**

Recommendation 4 - Section 9 of the Intoxicating Liquor Act 2008

ABFI is concerned at the report's recommendation for the immediate enactment of Section 9 of the Intoxicating Liquor Act 2008. The recommendation does not take account of the success of the Responsible Retailing of Alcohol in Ireland (RRAI) *Voluntary Code of Practice on the Sale and Display of Alcohol Products in Mixed Trade Premises* which has been in place since 2009. ABFI believes that it is extremely premature of the group to put forward a recommendation to commence Section 9 of the Intoxicating Liqueur Act prior to completion of a review of the RRAI code, announced by the Minister for Justice, Equality & Defence, which will take place later this year.

The code now applies to the vast majority of licensed stores in the mixed trading sector including all the big supermarkets, the symbol groups and garage stores. Under the code, alcohol can only be displayed in-store in one separate area; alcohol cannot be displayed or advertised in shop windows; in-store advertising of alcohol is confined to the area where it is displayed; alcohol can only be sold at clearly designed check-out points and the code and complaints procedure must be clearly displayed for members of the general public.

According to the recently published RRAI compliance report, compliance with the code is extremely high at 85.56%.²¹ This rises to 94.84% of supermarkets. On the issue of display, over 99% of stores met the test of displaying alcohol in one part of the premises and not having satellite displays, while over 97% were judged to have complied with the requirement of displaying alcohol in a part of the premises that customers do not have to pass through to get to other beverages and food products. No store allows for the purchase of alcohol at self-service check outs and all alcohol check-out points were monitored by CCTV.

This legislation would impose huge costs on retailers who would have to construct a “store within a store” in order to sell alcohol. In the case of smaller stores, all alcohol would have to be placed behind the counter- a completely unworkable proposition as there is simply not enough space in most cases. In 2008, the mixed trading retail sector estimated the capital cost of the physical construction and equipment that would be required under Section 9 at some €200 million and operating costs as costing many millions more in payroll annually²².

The measure would also greatly inconvenience moderate consumers of alcohol who would not be able to purchase even small quantities of wine, beer, cider or spirits with their weekly shopping.

²¹ RRAI, Third Compliance Report, October 2011

²² This is a direct quotation from the Third Compliance Report of the RRAI.

- **ABFI believes that the existing RRAI code of practice is working well and should not be replaced by legislation. At the very least, the group should await the outcome of the review of the RRAI code.**

Recommendation 13 - Advertising and Marketing

Our commitment to responsible marketing

ABFI strongly believes that the recommendations on advertising and marketing proposed in the report fail to take into account the strict codes which are already in place.

In relation to the **placement** of alcohol marketing, the codes are amongst the strictest and most comprehensive in the world. They were drawn up with the Department of Health and Children in 2002 and strengthened in 2008. The Department of Health also plays a role in the monitoring of the codes through its involvement in the Alcohol Marketing and Communications Monitoring Body (AMCMB).

No alcohol advertisement can appear in any media where more than 25% of the audience is under the age of 18, none can appear during children's programming or in media specifically aimed at children and no outdoor advertisement for alcohol can be placed within 100 meters of a school or youth group. Only one in four advertisements on any medium can be for alcohol.

Regarding the **content** of alcohol marketing, ABFI members also subscribe to the Advertising Standards Authority of Ireland (ASAI) code of standards that governs the content of the advertising activity they engage in. Under the code, no alcohol advertising can appeal directly to young people and they cannot feature anyone who is, or appears to be under the age of 25. Furthermore, no alcohol advertisement can associate alcohol or its consumption with social or sexual success and cannot feature sports associated with driving, such as motor racing or aggression, such as boxing.

Central Copy Clearance Ireland (CCCI) is responsible for pre-vetting all alcohol advertising, to ensure compliance with ASAI standards. CCCI is a voluntary initiative by industry who continue to provide all of its funding on a voluntary basis. Its work ensures that all promotional activity complies with the highest standards in terms of compliance with laws and regulations. A key feature of this pre-vetting system is the support of the media owners, which has agreed that it will not print or broadcast any advertisement, which does not have the CCCI stamp of approval. In effect, CCCI pre-clearance is mandatory for the Irish market.

Only two complaints about the content of alcohol advertising has been upheld by the ASAI in recent years and the codes have ensured more responsible advertising, retailing and promotion of alcohol while preserving the major contribution the drinks industry makes to Irish sport, cultural events the length and breadth of the country, and the local media through its sponsorship and advertising.

The current suite of codes covers all broadcasts for the Irish market, including so-called "opt out" channels. An example of this was the recent Rugby World Cup which, because it was broadcast at family breakfast time, saw no alcohol advertisements during commercial breaks that were targeted at Irish audiences, regardless of whether they were on domestic TV channels or on stations such as UTV.

Legislation can not cover such channels. Legislation will simply drive advertising spend out of Ireland, resulting in a loss of revenue to the State and impacting on jobs in the marketing sector.

It is worth noting that ABFI became the first association representing alcohol beverage companies in the world to develop and roll-out a comprehensive code **training** programme. This is a coordinated effort to help marketing personnel understand and rigorously apply the various codes to which they must adhere by providing a special one day training course designed to bring them fully up to speed on both the letter and the spirit of the codes.

- ABFI believes that Ireland has among the strictest and most comprehensive set of codes governing the content and placement of advertising and marketing of alcohol in the world and that this structure is working well. It is also a far more effective way of responding to the dynamic social and consumer environment.
- ABFI supports the principle of co-regulation. Co-regulation ensures that the highest standards are followed and can allow for a much faster and potentially more nuanced response than legislation.

- Further, we believe that industry and Government should work in partnership to develop a single, over-arching code, relevant to all channels, for all alcohol marketing, advertising, sponsorship and promotion.

All the evidence shows that the co-regulatory approach is working. The codes were renewed in 2008 and are independently monitored by the Alcohol Marketing Communications Monitoring Board (AMCMB) on an annual basis. Last year, the Board concluded that the drinks industry had achieved 'overall compliance.'

International evidence indicates that there is no absolute causal link between alcohol advertising and individual drinking levels^{23,24,25,26,27}. Further, no research has been conducted on the impact of responsible and regulated advertising and marketing that exists in Ireland on individual drinking levels, so the group was unable to come to any evidence-based conclusion.

Further, a 1999 report by the French Parliament evaluating the effectiveness of France's advertising ban ('Loi Evin') concluded that no effect on alcohol consumption could be established²⁸. The slow decline in alcohol consumption was deemed not to be correlated with the 'Loi Evin' and attributed to other factors. This view is shared by the French National Association of Prevention of Alcoholism and Addiction (ANPAA), which concedes that the effects of the law are indeed "weak"²⁹.

The evidence cited above, which ABFI submitted to the NSMSG group, but was not included in the final report, shows that alcohol advertising has the lowest influence when compared with other factors, such as peers, family, personality and the environment. It should be noted that even though beer is the most advertised alcohol beverage, its share of the alcohol market has fallen from 57% in 2000 to 51% in 2009. Wine is the least advertised alcohol beverage, but its market share has increased over that period from 13% to 23%. This suggests that factors other than advertising are driving consumer behaviour and consumption.

In a mature market, like Ireland, advertising and marketing has very limited ability to increase overall demand. The primary effect and intent of alcohol marketing is therefore to maintain and increase one's brand share at the expense of other brands.

ABFI members have the right to responsibly market their brands. It, therefore, makes far more sense to work within the structure of these codes rather than implementing a ban which will impact negatively the marketing and advertising industry in Ireland, while at the same time failing to address the serious issue of misuse.

- **ABFI strongly opposes recommendations contained in the report that seeks to further restrict the ability of alcohol brand owners to responsibly market their products. The recommendations are not based on all available evidence, do not take account of the very strict codes of practice already in place and will not tackle alcohol misuse.**

Recommendation on 9pm watershed

The report calls for a watershed on alcohol advertisements until after 9pm. ABFI believes such a watershed will not reduce exposure of young people to alcohol advertising. The existing co-regulatory structure effectively uses audience profiling. It ensures that no advertising can take place during programmes that have more than 25% of their audience under the age of 18 and limits the volume of alcohol advertising to one advertisement in four at a maximum.

²³ La Loi relative à la lutte contre le tabagisme et l'alcoolisme : rapport d'évaluation, G. Berger et al., La Documentation Française, p. 106.

The 'Loi Evin' : a French exception, Dr. Alain Rigaud, Président Association Nationale de Prévention en Alcoologie et Addictologie (ANPAA).

Ogborne, A.C. & Smart, R.G. 1980. *Will restrictions on alcohol advertising reduce alcohol consumption?* British Journal of Addiction, 75, 293-296.

²⁴ Ipsos MORI/ Clearcast Study on Alcoholic Drinks and Young People, November 2009.

²⁵ Gallet, C.A. 2007. The Demand for Alcohol: A Meta-Analysis of Elasticities. *Australian Journal of Agricultural and Resource Economics*, Vol. 51, No. 2, pp. 121-135, June 2007.

²⁶ Reinhold, B. Prof. Causes of Alcohol Consumption in Adolescence. Univ. Institute of Psychology. University of Bonn, 2007;

Nelson J. P. 2008. Reply to Siegel et al: alcohol advertising in magazines and disproportionate exposure. *Contemporary Economic Policy*, 26(3): 493-504.

²⁷ Makowsky, C.R. & Whitehead, P.C. 1991. *Advertising and alcohol sales: a legal impact study.* Journal of Studies on Alcohol, 52(6), 555-567.

²⁸ La Loi relative à la lutte contre le tabagisme et l'alcoolisme : rapport d'évaluation, G. Berger et al., La Documentation Française, p. 106.

²⁹ The 'Loi Evin' : a French exception, Dr. Alain Rigaud, Président Association Nationale de Prévention en Alcoologie et Addictologie (ANPAA).

ABFI believes the proposals in the report are unfeasible and would not comply with competition law. Furthermore, a watershed is less relevant in today's TV-on-demand media environment which allows people to record and watch what they like, when they like. For example;

- Of the top 20 TV programmes viewed by four to 17 year olds, seven are broadcast after 9pm;³⁰
- 52 per cent of the television watched by four to 14 year olds is broadcast after 9pm;³¹
- There are over 1.6 million internet subscriptions in Ireland.³² These subscribers have access to unlimited broadcasts, podcasts and internet material that Irish law cannot regulate;
- Over 80 per cent of Irish homes (1,278,000) have cable or satellite television services in their home, allowing them to watch broadcasts from channels outside the State, over which domestic legislation has no authority.³³

It should also be noted that 38 per cent of Irish homes – over 600,000- have digital video recorders (DVRs) which allow for the digital recording of broadcasts and allow the user to watch those broadcasts at any time.³⁴ This number is likely to grow in the years ahead.

The proposal would also restrict the ability of domestic broadcasters to compete with non-Irish broadcasters, which could raise issues under Competition Law.

- **ABFI believes a 9pm watershed will not reduce exposure of young people to alcohol advertising. The existing co-regulatory structure effectively uses audience profiling. It ensures that no advertising can take place during programmes that have more than 25% their audience under the age of 18 and limits the volume of alcohol advertising to one advertisement in four. ABFI believes the proposals in the report are unfeasible and would not comply with competition law.**

Recommendation on cinema, outdoor and print advertising

The report recommends a restriction on cinema advertising of alcohol brands to those films certified as 18; a complete ban on outdoor advertising of alcohol brands and that alcohol advertising in the print media be governed by a "stringent code".

The group completely fails to show why the **print** media should be subject to a code and other media to legislative bans. ABFI fails to see any justification for treating these three media differently and believes there may be competition issues arising from such a diverse set of rules.

In relation to **outdoor** advertising, the group has failed to take into account the strict controls in place regarding content and placement. Unlike any other product, the content of all outdoor adverts for alcohol is strictly vetted by the CCCI (see above for details) and is not allowed within 100 meters of a school or youth clubs and is restricted to a maximum of 25% of the total space available. There can be no wrap rounds on public transport and there is no advertising within 100 meters of a primary or secondary school entrance. Alcohol advertising does also not appear on public transport that operates on routes which pass a large number of schools.

In relation to **cinema** advertising, the NSMS working group recommends that alcohol advertising only be permitted before films granted an 18 certificate. It should be noted that the number of films classified as 18 was only around 6% of the total in 2009, down from 20% in 2004³⁵. Many films aimed solely at adults do not include the criteria (such as sex, violence or profanity) that warrant an 18 certificate. Yet, the proposal as contained in the report would render such films ineligible for alcohol advertising.

- **ABFI believes the differing proposals in the report on cinema, outdoor and print advertising are unfeasible and would not comply with competition law. ABFI believes the existing co-regulatory structure that ensures that no advertising can take place during films or in publications which have more than 25% their audience under the age of 18 and which prohibits outdoor advertising near schools and youth clubs is more effective.**

³⁰ Children's Advertising Code; Research into Children's Viewing Patterns in Ireland, BCI, 2006.

³¹ Children's Advertising Code; Research into Children's Viewing Patterns in Ireland, BCI, 2006.

³² Comreg, Quarterly Key Data Report, Q2 2011.

³³ Comreg, Quarterly Key Data Report, Q2 2011.

³⁴ Comreg, Quarterly Key Data Report, Q2 2011.

³⁵ IFCO Annual Report 2009.

The report raises concerns regarding the “*large volume of advertising moving to digital media*”. However, digital media offers advantages over traditional media in that it enables companies to direct advertising of their products more selectively i.e. only target those over the legal drinking age. A recent study³⁶, also acknowledged that only a small minority of young people were aware of alcohol advertising on Facebook and none of them had accessed alcohol brand websites.

Recommendation 15 - Sponsorship

The report recommends that drink’s industry sponsorship of sport and other large public events in Ireland should be banned by 2016. This recommendation will have a minimal impact on the serious issue of alcohol misuse and will simply penalise many of the domestic and pan-European events and festivals hosted in Ireland that are supported by alcohol companies, with little prospect of any other funding mechanism which could take the alcohol industry’s place.

The *Report of the Working Group on Sports Sponsorship by the Alcohol Industry* carefully considered the issue of alcohol and sports sponsorship and made no recommendation that such sponsorship should be phased out in its conclusion in July 2010. However, the NSMSG working group insisted on including a sponsorship ban by alcohol companies in their report, despite the fact that some in the group, including the Departments of Transport, Tourism & Sport and Arts, Culture and the Gaeltacht voiced their opposition and put forward alternative wording.

There is no definitive proven link between sponsorship and alcohol misuse. Evidence which contradicts any link was not considered by the group. For example, in 2006 a New Zealand report³⁷ found that “careful evidence suggests that alcohol sponsorship is an insignificant variable in the alcohol take-up or abuse equation” while highlighting the great economic and social cost to the sporting and cultural bodies that would be impacted upon.

As noted in the evidence relating to the ‘Loi Evin’, cited earlier, an official French parliament report stated that the law, which also bans sponsorship, has been ineffective in reducing high risk drinking patterns.

Furthermore, alcohol sponsorship in Ireland is carried out within an extremely restrictive co-regulatory structure. These codes, which are amongst the strongest in the world, were first drawn up by the drinks industry and the Department of Health & Children in 2002 and then strengthened in 2008. They ensure that all sporting and cultural activities and festivals sponsored by alcohol companies are targeted at an adult audience and do not promote irresponsible consumption.

A ban of sponsorship by alcohol brands will damage Irish sporting and cultural life and will not reduce exposure of young people to alcohol marketing. ABFI believes the existing co-regulatory structure which uses audience profiling and ensures that no sponsorship can take place at events which have more than a maximum of 25% of their audience under the age of 18 and which limits the volume of alcohol advertising to one advertisement in four, is more effective.

Support by alcohol companies is critical to the survival of major domestic and international sporting and cultural events, as well as small local events in Ireland. The situation was best articulated by the sporting bodies themselves in the *Report of the Working Group on Sports Sponsorship by the Alcohol Industry*, published in 2010. In it, they said that ‘*their sporting organisations or structures would not exist without the current support from the alcohol industry.*’

A recent report³⁸ showed that of the European brewing sector investment in sponsorship, only 12% goes to high-profile major sports sponsorships, while over 62% of activities were local or regional projects.

Ultimately, the lack of a global ban on sponsorship will mean that Irish consumers will continue to be exposed to sponsorship by alcohol brands through international sports coverage. The recent Rugby World Cup is an obvious example of this.

It, therefore, makes more sense to work within the structure of these codes rather than implementing a ban which will impact negatively on tourism and on the domestic sporting & cultural sector while at the same time failing to address the serious issue of misuse.

³⁶ Alcohol Concern, *New media, new problem?*, 2011

³⁷ Foundation for Advertising Research, *Alcohol Sponsorship in New Zealand*, 2006

³⁸ Brewers of Europe, *Supporting Local Communities; Assessing the Contribution of Europe’s Brewers*, 2011

- **ABFI believes that a phasing out of sponsorship by alcohol brands will damage Irish sporting and cultural life and will not reduce exposure of young people to alcohol marketing. The existing co-regulatory structure which uses audience profiling and ensures that no sponsorship can take place at events which have more than 25% their audience under the age of 18 and which limits the volume of alcohol advertising, is more effective.**

THE PREVENTION CHAPTER

Recommendation 3 - Low Risk Weekly Guidelines and Labelling

ABFI fully supports the provision of meaningful, helpful and relevant information to consumers to enable them to make informed choices in relation to alcohol consumption. Any labelling requirement should be limited to information that is useful to the consumer and which cannot be communicated in other ways. This type of information can often be provided by means other than an indication on the label, such as via the brand's website.

The provision of consumer information should be guided by four principles:

- Any information to be provided should be relevant and understandable to consumers
 - Any new requirements should cause minimum disruption to the EU internal market and cost to producers
 - Any new requirements should be implemented in tandem with initiatives at EU level
 - Any new requirements should apply equally to all alcoholic beverages.
- **ABFI believes it is important that if changes are to be considered in relation to mandatory labelling information requirements, research should first be carried out in order to clarify the relevance, usefulness and best method of providing such information to consumers.**

Recommendation on lower low risk weekly guidelines

The recommendations in the report propose that women should consume less than 102 grams of pure alcohol (11 units) per week and men 168 grams (17 units). This is reduced from the current guidelines of 140 grams (14 units) and 210 grams (21 units) for men and women respectively.

It is claimed that Ireland's existing guidelines are based on the UK limits, and that because a standard drink in the UK contains less alcohol (8 grams) than in Ireland (10 grams), we should reduce our limits to 17 and 11 from men and women respectively.

However, ABFI believes the methodology for this is flawed. In 1995, the British authorities changed their recommendation to daily limits (2-3 for a woman and 3-4 for a man) in recognition of the dangers of excessive drinking in a single session. This means that in the UK the total amount of grams of alcohol recommended for one week is between 168-224 grams for men and 112-168 grams for women. As things stand in Ireland the current recommended limits are 210 grams for men and 140 grams for women. This means that the Irish units when compared by grams of alcohol are in line and in fact lower than the UK units.

When compared with 29 other international countries, our guidelines for women are midway between the highest and lowest recommendations, thus placing our guidelines firmly in line with the international average. For men, our guidelines are on par with France, New Zealand, South Africa and Spain. These countries all have consumption levels lower than Ireland, indicating that the guidelines do not impact on the consumption levels in a country.

Globally, Poland has some of the lowest daily (10 grams) and weekly (70 grams) guidance limits. However, their alcohol consumption per adult is one of the highest in Europe at 10.8 litres.

Further, consumers have only recently become more aware of standard drinking information, due largely to the efforts of MEAS and drinkaware.ie and their campaigns to help consumers understand what a standard drink is. Research carried out by ABFI³⁹ in 2011 showed that 57% of people were aware of unit information. Research from

³⁹ Millward Browne Lansdowne research for ABFI, 2011.

MEAS also indicated that awareness about standard drinks and units was increasing. A change to this awareness will result in the public dismissing the new guidelines as not applicable to them and they will find it difficult to apply the new guidelines to their daily lives.

Also, research has shown that some groups have difficulty in judging or perceiving any harmful risks associated with a particular volume of alcohol consumption. For example, young people perceive the risk of consuming too much alcohol as not relevant to them personally or that any danger is small and no harm will come to them in the present or the future.

It is therefore more important to focus efforts on encouraging people to consume within their existing guidelines and understand why they should do so, rather than attempting to promote new lower guidelines.

- **ABFI believes the current guidelines of 21 units for men and 14 for women should remain and be backed by a public information campaign.**

Recommendation on pregnancy advice on alcohol labels

ABFI recognises the advice of the medical community that pregnant women should consider their alcohol consumption. For this reason, ABFI worked with the Department of Health and Children to come to a joint agreement in 2007 to introduce a health advice label for pregnant women on pre-packaged alcohol products. To be effective, it was agreed that such a measure would need to be accompanied by a major consumer awareness campaign which should include support from members of the medical profession.

ABFI regrets that the report makes no recognition of the agreement reached between industry and Government on this matter and that no legislation has been drawn up on this area to date.

- **ABFI believes legislation on advice to pregnant women on alcohol labels should be introduced as soon as possible.**

Recommendation on alcohol in grams on labels

The report recommends that information on alcohol labels should include the number of grams of alcohol contained in the beverage. ABFI accepts that including *grams* instead of *units* allows for ease of comparison of alcohol contained in a product across all countries. However, ABFI believes that consumers would be better informed by providing the number of units of alcohol contained in the product they purchase. Previous successful public awareness campaigns refer to the number of units contained in the most common drinks consumed in Ireland.

Unit information is useful for informing individuals about how much alcohol they are consuming. Providing the unit information on pre-packaged beverage alcohol products enables drinkers to make more accurate estimates of the units in commonly available beverages and to use that information to ensure that they consume alcohol within their weekly guidelines for low risk drinking.

ABFI and the Department of Health and Children agreed in 2007, in principle, to place the unit information on pre-packaged beverage alcohol products. We await the introduction of the necessary legislation.

At present, Irish consumer research shows that there is a lack of understanding on the amount of alcohol contained in a standard unit.⁴⁰ To demonstrate this, research carried out for ABFI in 2011 by Millward Brown Lansdowne, shows that while 67% of respondents claimed to know what a standard unit of alcohol is, only 57% were able to correctly choose from a list of options what constituted a standard drink.

Therefore, it is important that this measure is part of an integrated approach that will also involve education on responsible drinking guidelines and consumption. Currently MEAS provides tools and information to help people do this.

- **ABFI calls on the Government to introduce mandatory unit information on packaged alcohol, and to deliver an education campaign in order to improve consumer awareness. Due to the fact that there are different**

⁴⁰ Millward Browne Lansdowne research for ABFI, 2011.

definitions of a unit across the EU (leading to confusion for consumers), ABFI recommends that a standard pan-European definition of a unit be agreed by the European Commission in the longer-term.

Recommendation on calorific content on alcohol labels

The report recommends that the calorific content of alcohol products be included on labels. This may provide useful information to consumers. However, as with salt and sugar levels, it is possible that many consumers could examine the calories in alcohol beverages and compare them favourably to other products, such as juices or dairy drinks. Such an outcome would run contrary to the steering group's intentions.

Because of this type of complexity, detailed discussions have been ongoing at EU level regarding calorific content on alcohol labels. It is hoped and believed that agreement on an EU-wide approach will be reached shortly.

- **ABFI urges the Government to await the outcome of EU process regarding calorie information on alcohol labels.**

Conclusion

As stated in our initial submission, ABFI members are proud of their products and believe their moderate consumption is entirely compatible with a healthy lifestyle. ABFI believes alcohol misuse is a complex problem, which requires a multi-faceted, evidence-based and balanced approach from all stakeholders.

The drinks industry supports a responsible, sustainable and viable marketplace in which it can operate and contribute to Ireland's economy and society. To do that, we rely on stakeholders to work with us in a spirit of partnership and remain fully committed to engaging with Government and other relevant stakeholders to address alcohol misuse.