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The cornerstones of Nordic alcohol policy

- Traditionally alcohol policy in Finland and in the other Nordic alcohol monopoly countries has rested on three pillars.
- These are:

1.

Restrictions on private profit interest in the alcohol business

2.

Restrictions on the physical availability of alcoholic beverages

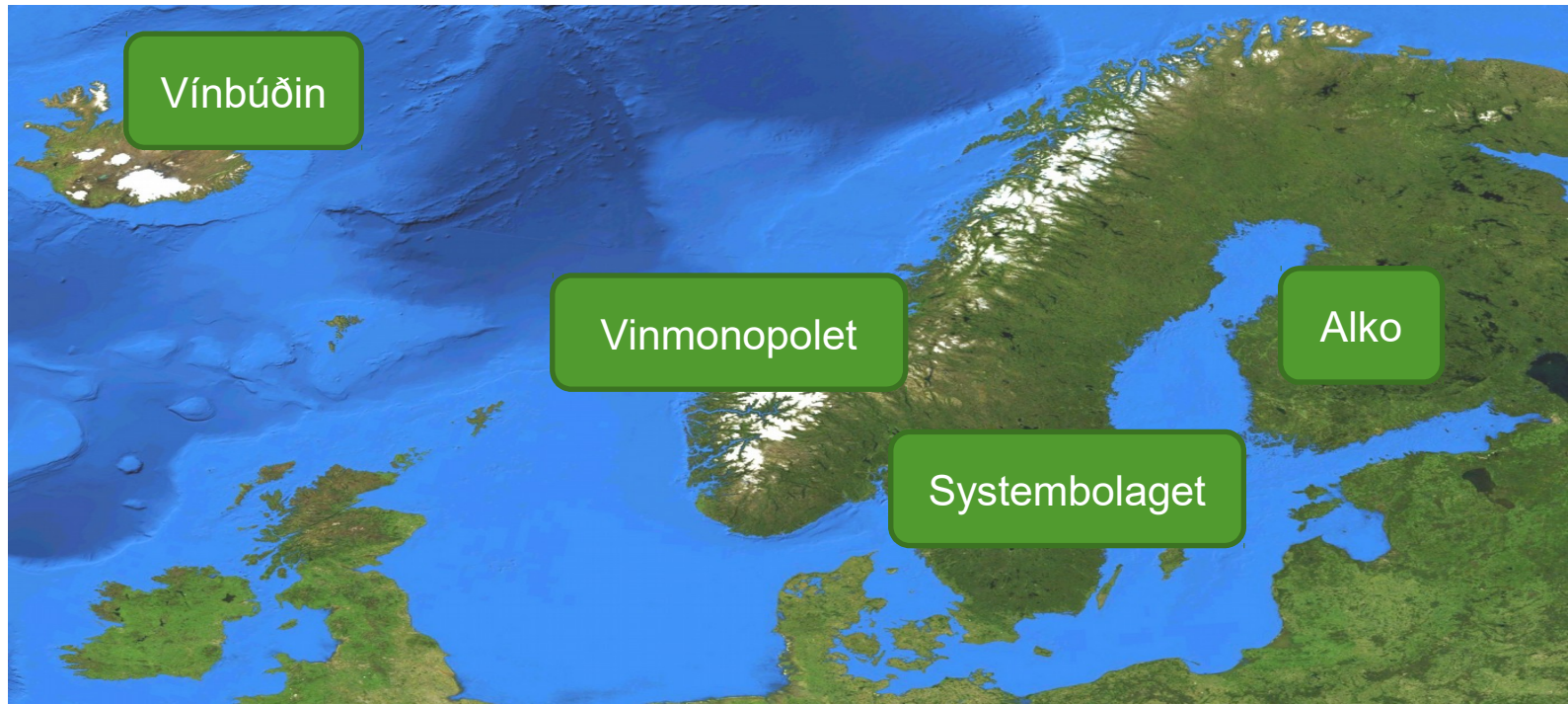
3.

Restrictions on the economic availability of alcoholic beverages by means of high taxation

- These pillars have widely been regarded as the cornerstones of restrictive Nordic alcohol policy.

1. Restrictions on private profit interest in the alcohol business

- In Finland, the comprehensive alcohol monopoly was dismantled in the mid-1990s.



- The retail monopoly in Finland did, however, survive as it did in Norway, Sweden and Iceland.

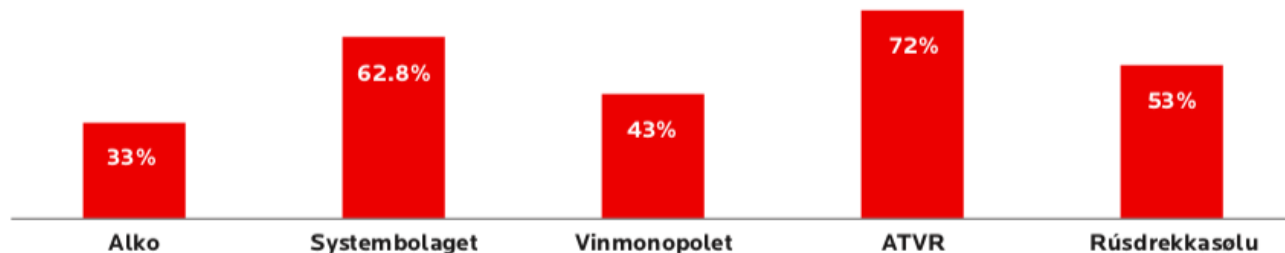
1. Restrictions on private profit interest in the alcohol business

- The monopolies, however, differ from each other substantially what comes to their market share:

Monopoly's share of recorded alcohol consumption calculated in litres of 100% alcohol



Monopoly's share of total alcohol consumption, calculated in litres of 100% alcohol



Source: Nordic alcohol monopoly companies

2. Restrictions on the physical availability of alcoholic beverages

- The physical availability of alcoholic beverages has been eased, the number of on- and off-premises increased and opening hours prolonged during the past decades.
- The supply of different types of alcoholic beverages is today substantially greater than before.
- Quotas for travelers' alcohol imports within EU were abolished in 2004. This has increased the possibility to import large quantities of alcoholic beverages from other EU countries where alcohol is much cheaper.



3. Restrictions on the economic availability of alcoholic beverages by means of high taxation

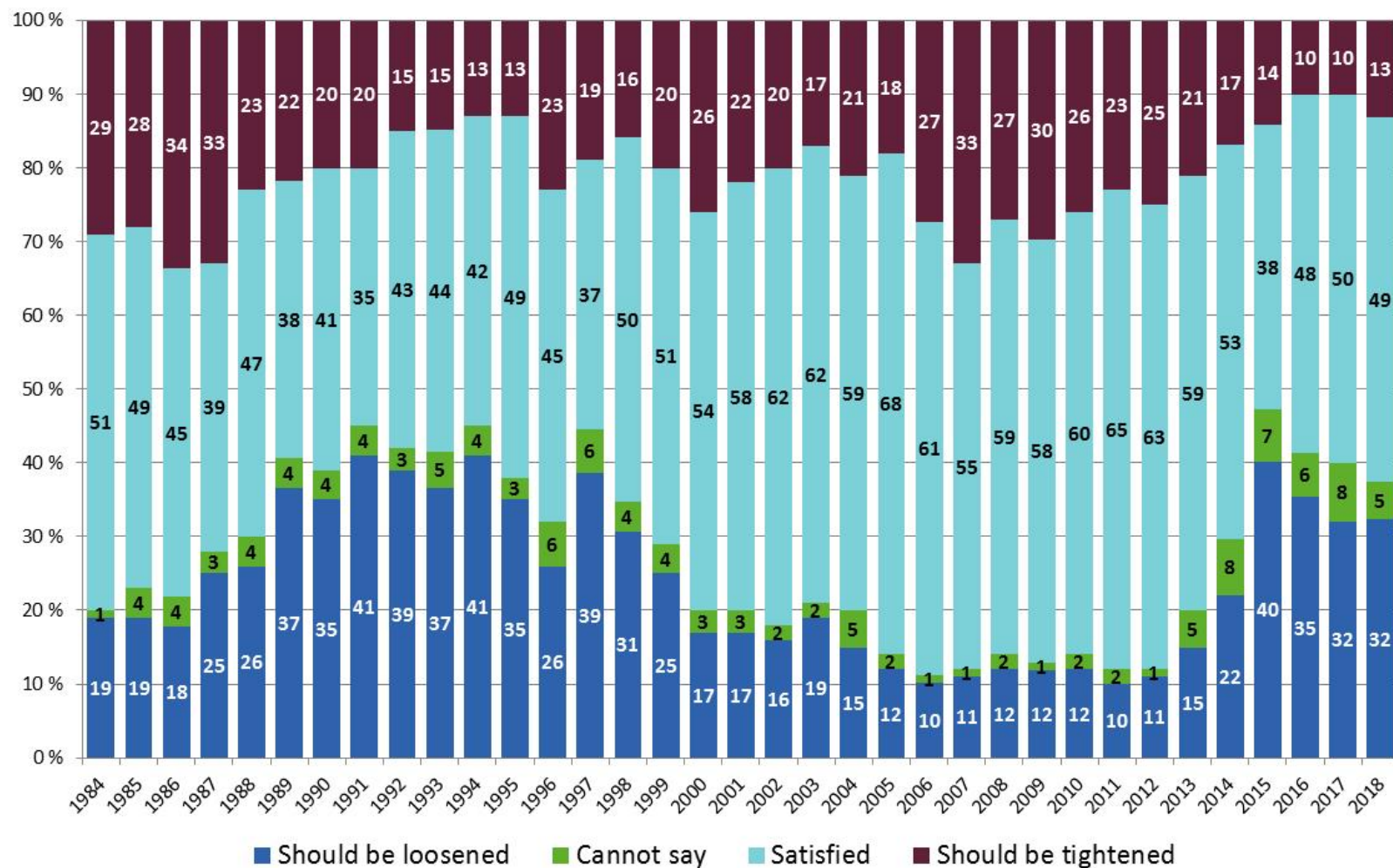
- From a European perspective alcoholic beverages are heavily taxed in Finland.
- Excise duties for alcoholic beverages were, however, substantially lowered in 2004 (-33%), and alcoholic beverages, measured in real terms, are still cheaper now than in 2003.
- After the large Finnish tax reduction in 2004, Finland has increased their excise duties on alcohol in 2008, 2009 (twice), 2012, 2014, 2018 and made a decision to raise them again in 2019.



Reform of the Finnish alcohol Act

- Finnish alcohol policy debate has since 2011 been dominated by the reform of the current Alcohol Act.
- The revision of the Alcohol Act was at first of a technical nature, but transformed in 2014 to a highly politicized process.
- One of the main aims of the reform has been to liberalize Finnish alcohol policy and to get rid of "excessive" regulation of the alcohol field.
- The process and public debate around the reform can also be reflected in the public opinion on alcohol policies in Finland.

Opinions to the prevailing alcohol policy in Finland, 1984-2018



The new Alcohol Act (1102/2017)

- After a tight vote in the Parliament (98 MPs in favor, 94 against) a new alcohol was approved by the President on 28 December 2017.
- The new Alcohol Act entered into force on **1 March 2018**. Some of the amendments entered into force already on **1 January 2018**. At the same time **alcohol excise duties were raised by 10 percent**.
- During the **first 7 months** alcohol sales have increased by **1 %** compared to the same period last year.
- It is still, however, early days and very little can yet be said about the long-term effects on alcohol consumption and alcohol-related harm.

What did change?

- **The most significant changes from a public health perspective:**
 - Increased the maximum strength of alcoholic beverages sold in retail stores from 4.7 to 5.5 % alcohol by volume.
 - Allowing spirits based ready-to-drinks to be sold in ordinary grocery stores, kiosks and petrol stations.
- **Other major changes:**
 - Independent breweries and microbreweries have now the right to sell their own craft beers off-premise at the brewery.
 - Off-premise sales are allowed for bars and restaurants.
 - Serving hours are prolonged to 4 a.m. with a one hour drink-up time.

What has happened?

- Although overall alcohol consumption has remained fairly stable, the 4.7-5.5 vol.% alcoholic beverages that are now available in ordinary shops have increased their sales substantially.
- For instance, off-premise sales of spirits-based pre-mixed drinks (long-drinks) have increased by **481.6 %** and their overall sales by **216.1 %** during the first 7 months of 2018.
- During the same period, also stronger beer and ciders have increased in sales by approximately **200 %**.
- Although overall alcohol consumption has remained fairly stable, **the new products** introduced for sale in grocery stores at the beginning of the year **have all increased in sales**.

What happens next?

- Of the Nordic countries (DK excluded), it seems that Finland is most prone to abandon its restrictive alcohol policy system by dismantling the monopoly.
- As already 2/3 of the alcohol consumed is acquired from other sources than Alko, the step would not be as radical as for instance in Sweden, where Systembolagets market share is almost 2/3.
- After releasing strong beer and drink-mixes to the grocery stores the next step toward a more liberal alcohol policy in Finland would be to do the same with wine.
- This is already an outspoken goal of the Finnish Trade Association.

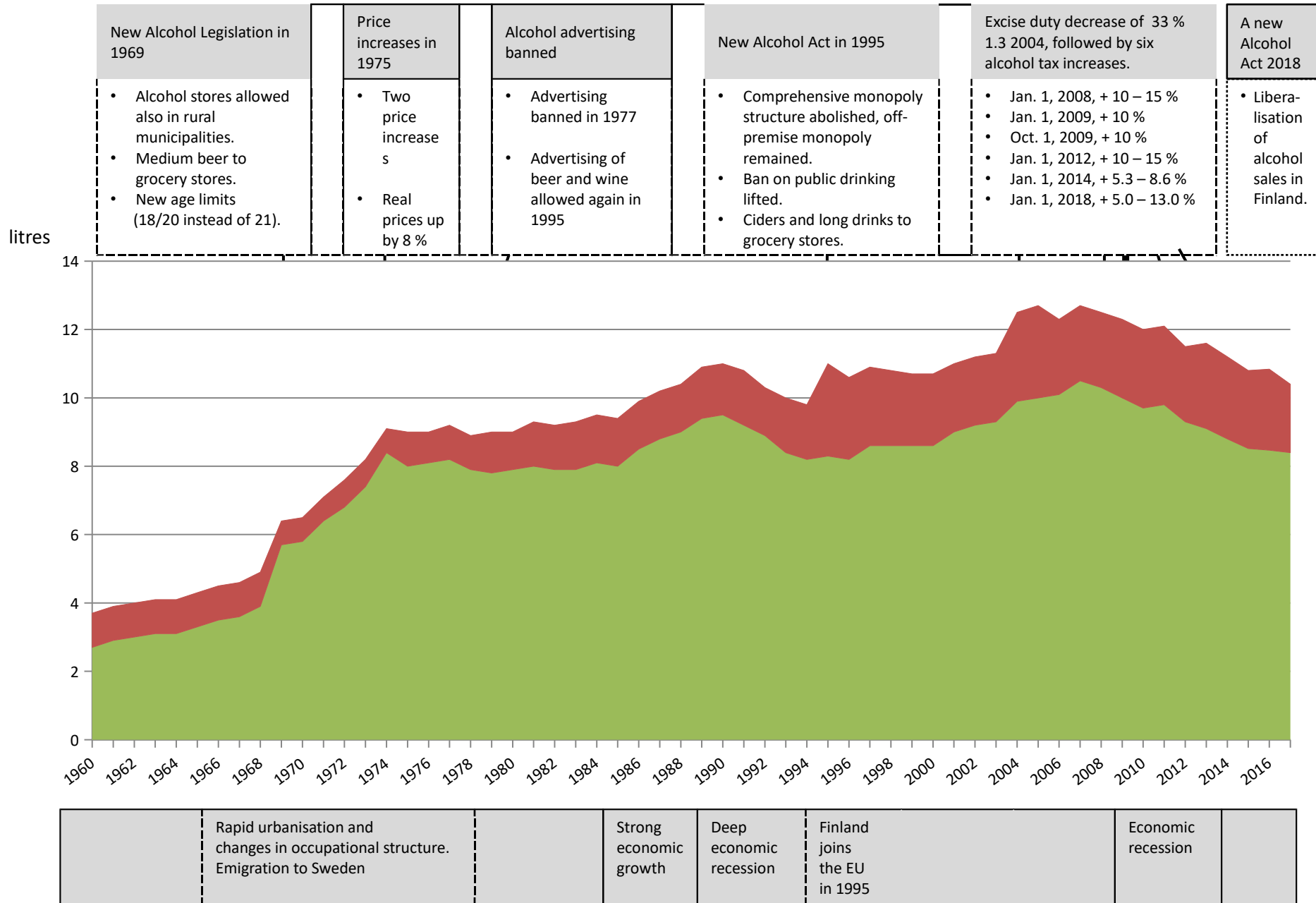
What happens next?

- The National Coalition party (the Finnish equivalent to Moderaterna and the second largest party) went even further and decided in June this year to advocate for an abolishment of the Finnish alcohol monopoly.
- Economic operators and the trade are trying to keep up the momentum with intense lobbying and emphasize the positive effects the new Alcohol Act has had on customer service, employment, productivity and competitiveness of the Finnish grocery trade.
- The issue of wines in grocery stores or even dismantling the entire monopoly system will probably be a hot topic in the Parliamentary election next year.

In conclusion

- In order to oppose a false balance to be created in the public debate on alcohol policy, the role of researchers and NGOs should be to present and disseminate correct and evidence based facts and figures to the people and decision makers.
- By monitoring the developments in the alcohol field (consumption and harms etc.) and providing as accurate facts as possible enables, at its best, educated and sustainable decisions by the decision makers.
- In the Finnish case, a further liberalization with wines in grocery stores would probably mark the end of one of the cornerstones of Nordic alcohol policy.
- This again would have ripple effects throughout the Nordic countries.

Total alcohol consumption in Finland in litres of 100 per cent alcohol per capita (15+)



Thank you!