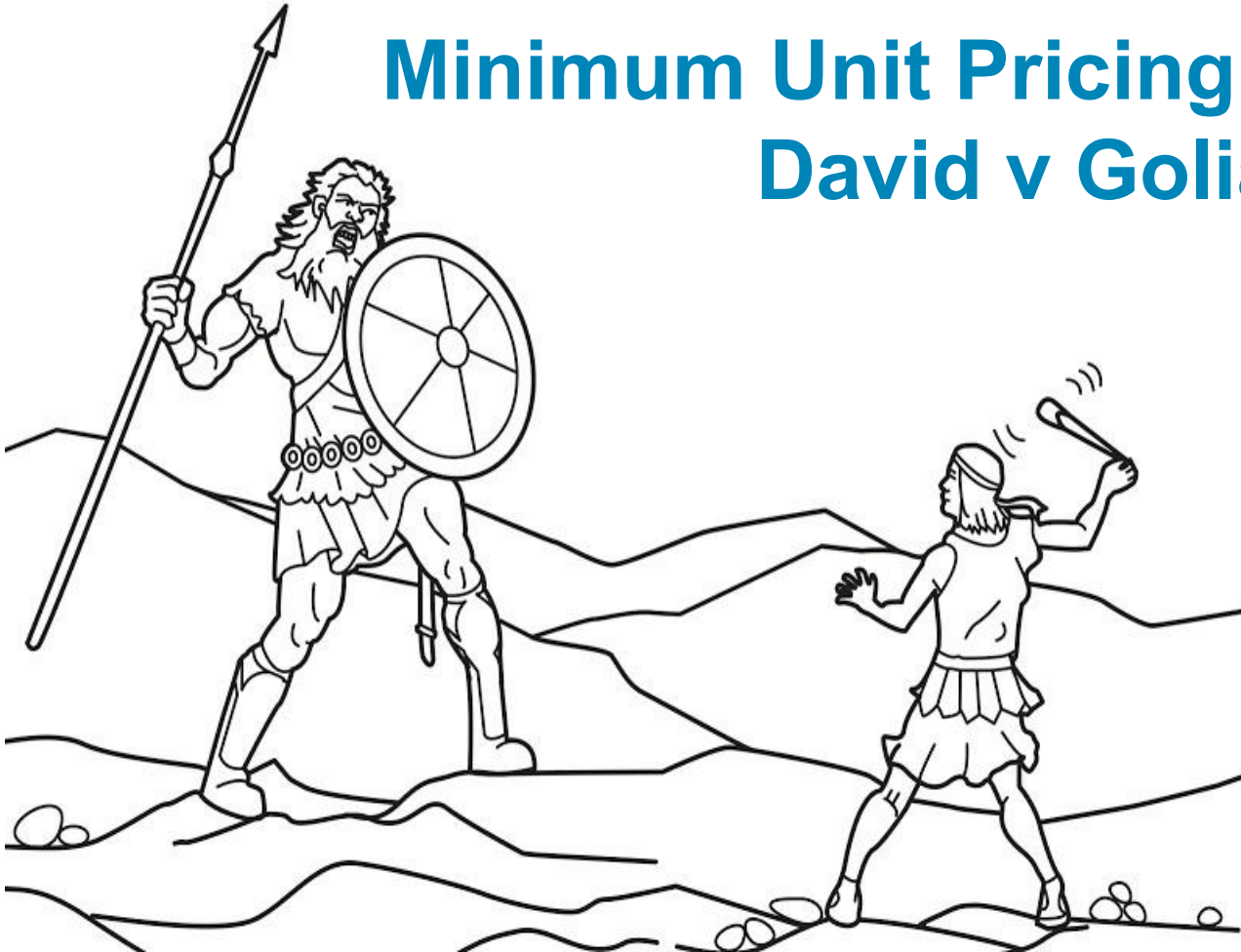


Minimum Unit Pricing in Scotland: David v Goliath



Alison Douglas
AP19
15 Sept 2022

As required by the Alcohol Policy 19 Conference, I have signed a disclosure statement and note the following conflict(s) of interest:

I own a single share in Diageo PLC for the purposes of stakeholder advocacy.



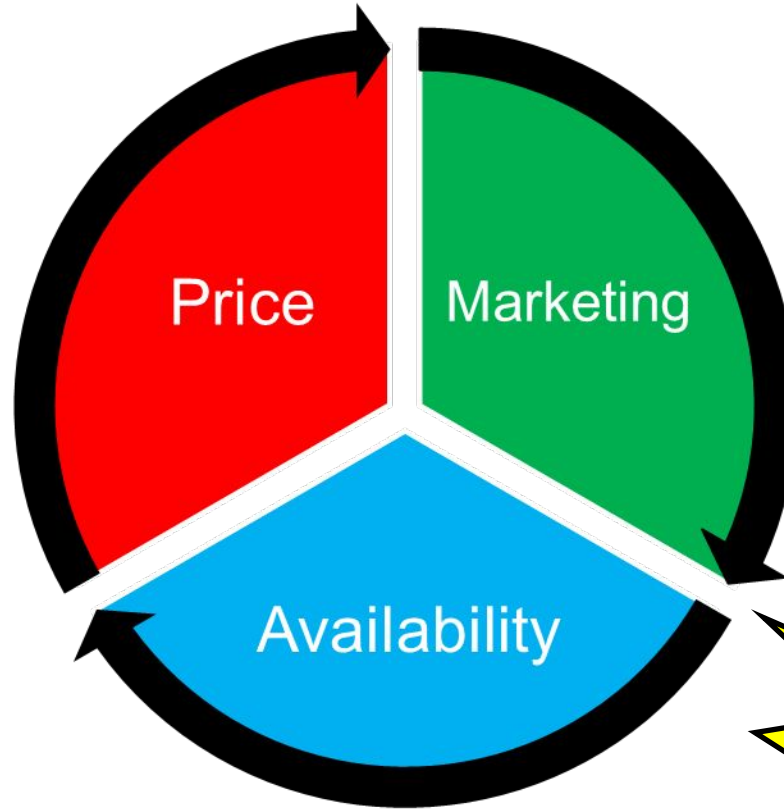
Dr Evelyn Gillan

4 August 1959 - 14 July 2015

What drives consumption & harm?

Prior to Minimum Unit Price:

- Alcohol 63% more affordable than 30 years before
- 52% of all alcohol sold at less than 50p per unit (59 cents)
- Some as low as 18ppu (21 cents)



- Alcohol industry spends £800 million p.a. in UK

***The WHO
'Best Buys'***

- Over 16,000 places to buy alcohol in Scotland (1: 280 adults)
- 85% of alcohol sold in off trade (shops & supermarkets)

Why did Scotland pursue MUP?

- Scotland's alcohol problem getting much worse
- International evidence that price affects consumption
- General assumption that taxation is best means to increase price
- BUT: Scotland does not control tax so needed alternative
- Tackles high strength/low cost alcohol
- Targets hazardous and harmful drinkers

The Ideal = MUP + Volumetric Tax

How does MUP work?

- It establishes a 'floor' price for a unit of alcohol (10ml or 8g)
- Applies to alcohol, not to products
- Applies to all premises
- Primary legislation is very simple: "Alcohol must not be sold at a price below its minimum price"
- Minimum price for a product =
Price per unit x Strength of alcohol x Volume (litres)
- Actual price is set in secondary legislation
- Implemented at 50p per unit (60 cents)



Benefits of 50p MUP

Year 1:

Reduction in consumption of 3.5%

60 fewer deaths

1,300 fewer hospital admissions

By Year 20 (full effect):

121 fewer deaths (-7.4%) per year

2,042 fewer hospital admissions per year (-6.8%)

Equivalent to 28% tax rise (but more targeted on heavy, low income drinkers who suffer most harm)

Angus C., et al. (2016)

Opposing Voices

We are committed to tackling alcohol misuse through legal and effective measures, for example through our new Scotch Whisky Fund. However, we believe unit pricing is illegal, harmful and would

Real concerns:

- Whole population approach framing
- Regulation
- Precedent for other countries

We cannot support a measure which will disproportionately penalise those already struggling on lower incomes and who consume alcohol responsibly.

Retail body CEO



MUP Evaluation

- 5 year programme
- 12 MESAS-funded studies and a further 7 associated studies

Four Evaluation themes:



MESAS (Monitoring & Evaluating Scotland's Alcohol Strategy)

Summary of Benefits

- A 3.5% reduction in off-trade sales per adult in the first year of MUP.
- Reductions in household alcohol expenditure, particularly in households that bought the most alcohol before MUP.
- The volume of pure alcohol sold per adult in Scotland in 2020 was 9.4 litres; the lowest level in 26 years.
- A 10% reduction in alcohol-specific deaths in the first full year after the introduction of MUP; the lowest level since 2013.
- A small reduction in hospital admissions from liver disease in each of the first two years of MUP.
- Reduction in consumption of cheap, high-strength products related to harmful drinking.
- High levels of compliance with MUP by retailers and no significant negative impacts on alcohol producers or sellers.

Potential concerns

Inequalities	People in poverty suffer most alcohol harm, so have most to gain.
Moderate drinkers	Minimal impact: estimated at £2 p.a.
Alcohol dependent drinkers	Need to provide support to dependent drinkers to reduce, but also <u>prevent</u> others becoming dependent in future.
Switching to illegal drugs	Few people will start using if not already. Monitor impact.
Not a “silver bullet”	Reason to expect MUP to reduce harm – but need other interventions too (particularly on availability and marketing).

- We have proof of concept of MUP: it does reduce consumption
- We have preliminary evidence that it may reduce harm (deaths/ALD hospitalisations)
- Covid is the ultimate confounder but comparisons can be made
- No evidence of significant unintended consequences
- The price is probably too low (increase to at least 77 cents)
- The legislative goalposts have moved: Brexit

Next Steps: The “Sunset Clause”

- MUP is only in place until 30 April 2024
- Requires an affirmative decision by the Scottish Parliament to continue
- Parliament will be informed by MESAS evaluation (June 2023) and Scottish Government report (autumn 2023)
- Consideration will also be given to uprating the level
- We also need a mechanism to automatically uprate the price



Learning

- ✓ Be ready with ideas: seize opportunities
- ✓ Understand legal issues
- ✓ Courts require different level of evidence
- ✓ Economic case: costs and benefits
- ✓ Seek champions beyond public health (children's orgs, police)
- ✓ Broaden journalistic engagement
- ✓ Conflict of interest
- ✓ Winning the war; not just the battle

Industry was right to be concerned...it is contagious!

- Northern Territories of Australia
- Wales
- Republic of Ireland
- Jersey
- Northern Ireland recently consulted
- WHO Europe minimum pricing report (2022)