

# The Impact of Tax on the Consumption of Alcopops in Germany

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# Presentation Outline

- **Alcohol Tax in Germany**
- **Alcopops on the German Market**
- **The Alcopop-Law**
- **Impact of the “Alcopop-Law“ and current Situation**
- **Conclusions & Recommendations**

# Alcohol Tax in Germany (per litre pure alcohol in €)

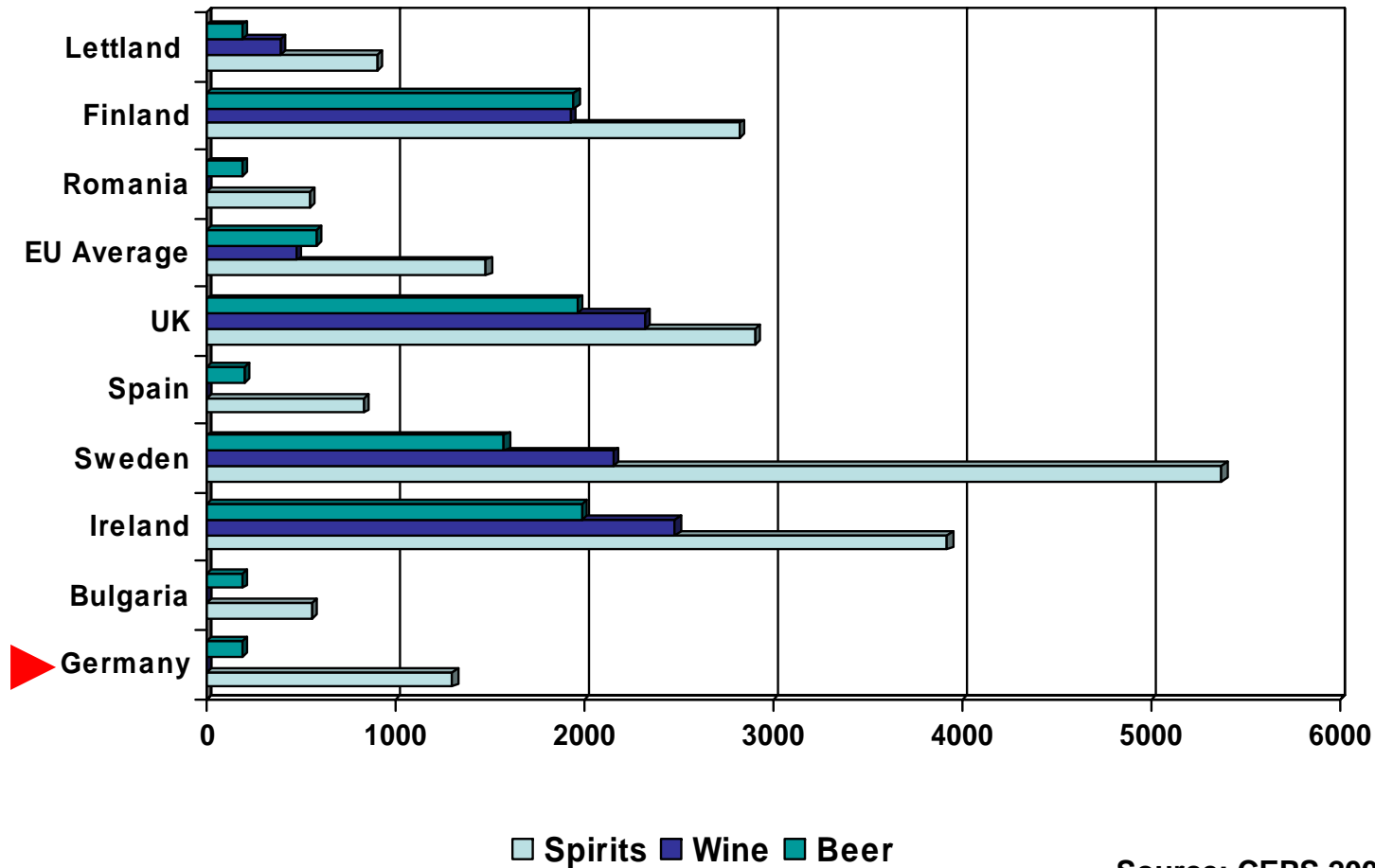


\*in addition to the general tax on spirits



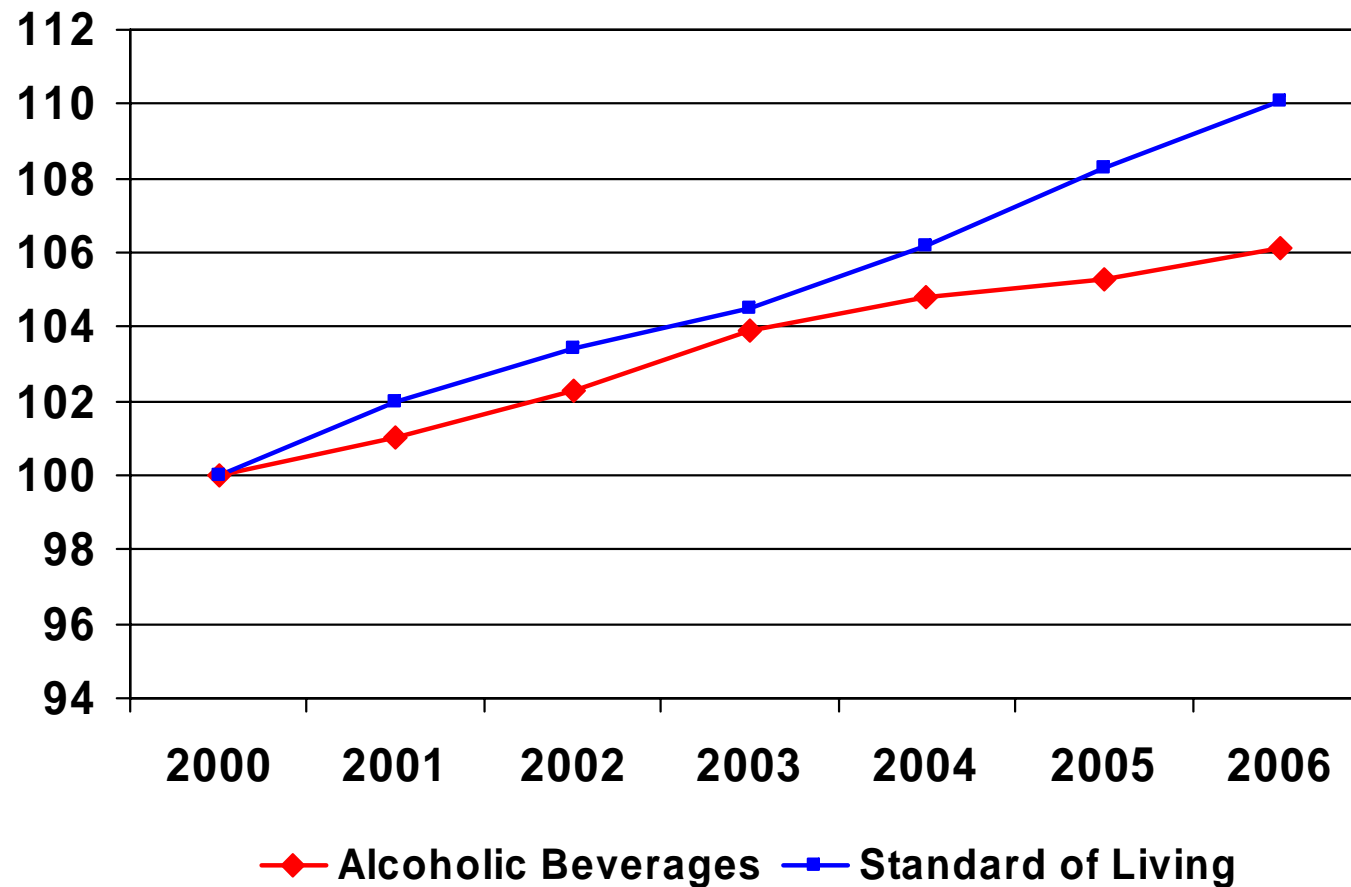
Source: German Ministry of Finance 2007

# Tax Rate of Alcoholic Beverages in the EU (Euro per hectolitre Alcohol)



Source: CEPS 2007

# Price Index of Alcoholic Beverages and Cost-of-Living



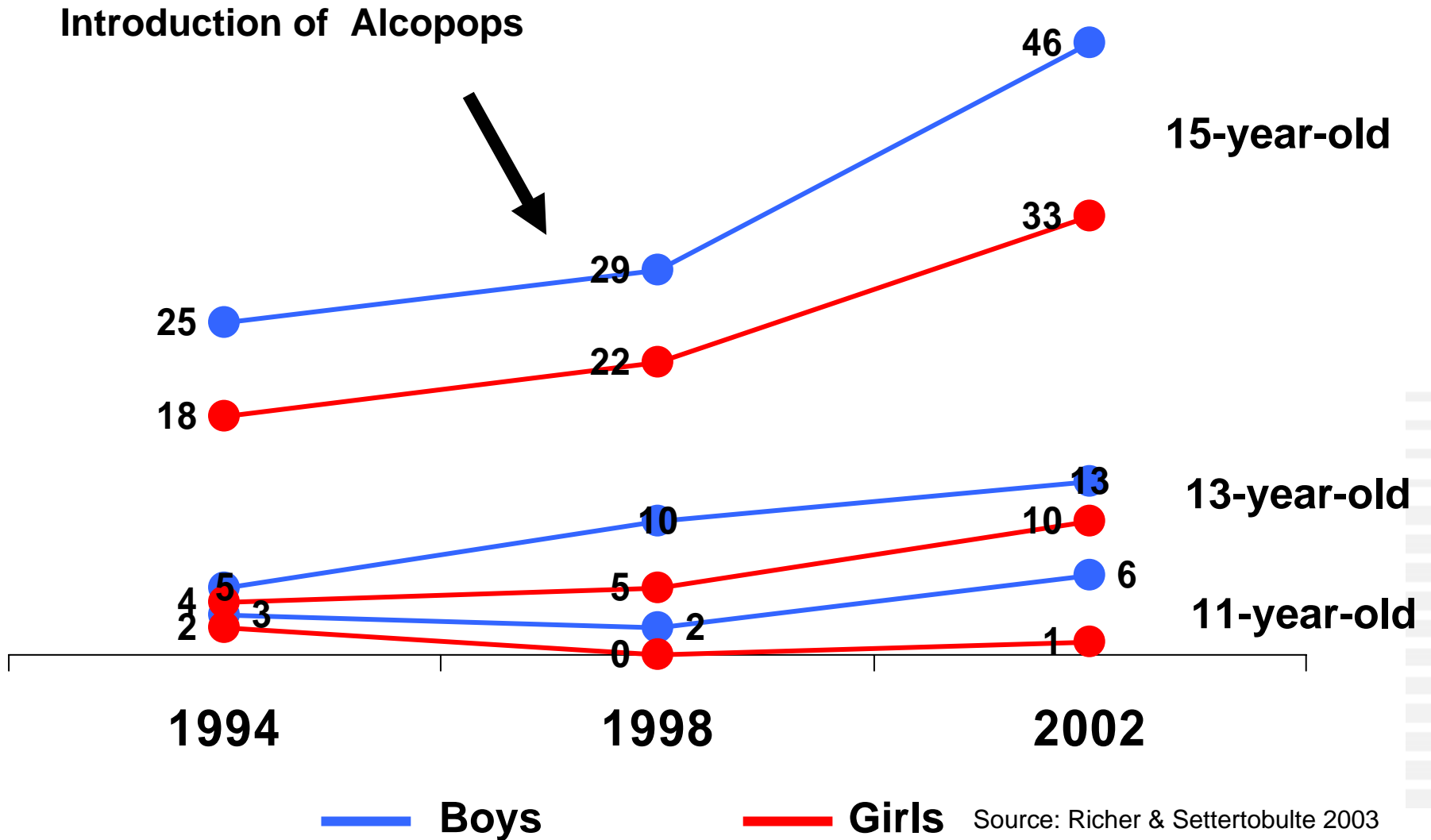
Source: Federal Statistical Office 2007

# Alcopops in Germany

Hey kids, what's your drink?

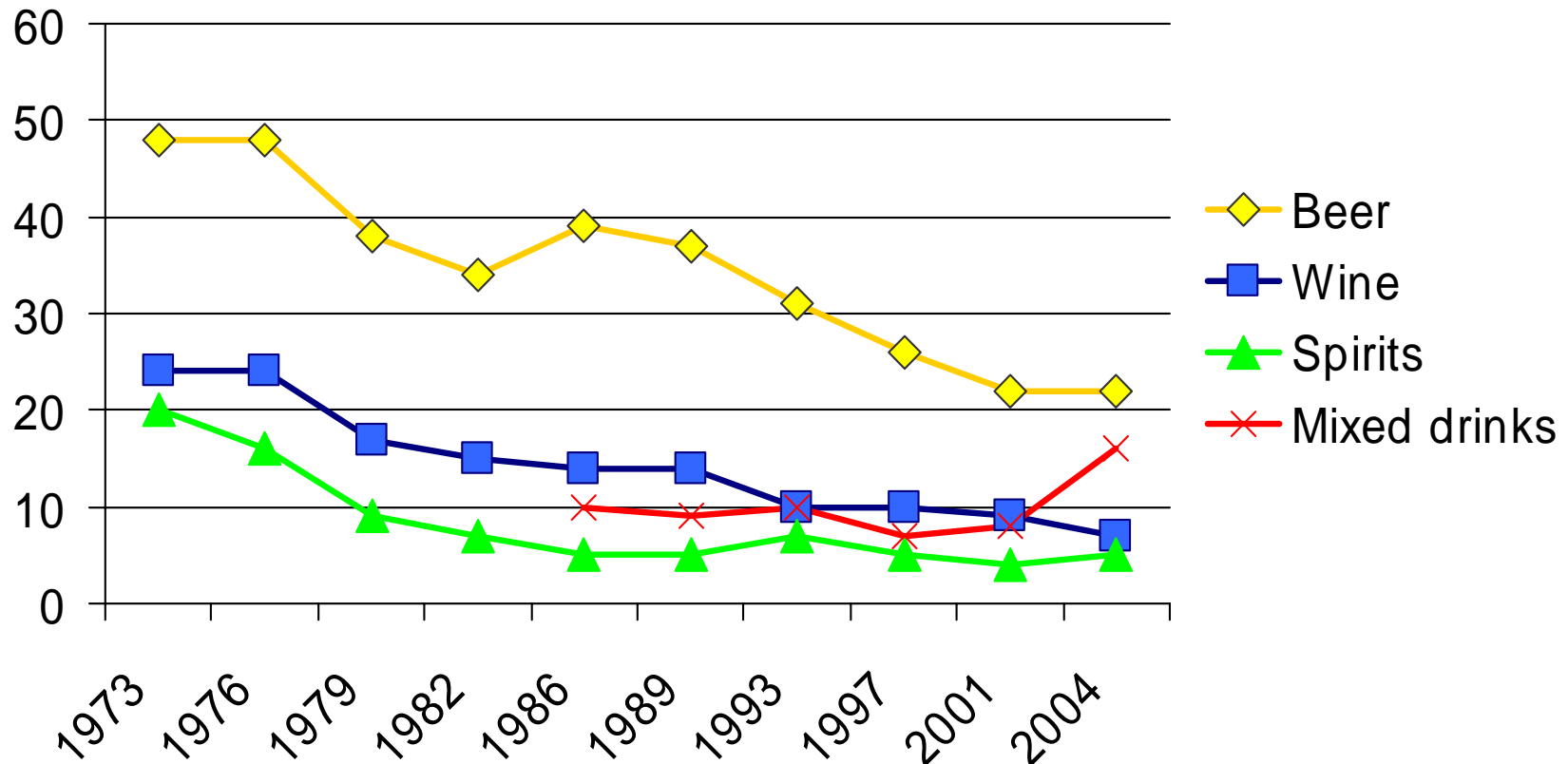


# Regular Alcohol consumption among 11-, 13- & 15-year-old boys and girls (HBSC)



# Consumption of alcoholic beverages

among 12-25 year old minors and young adults at least once per week

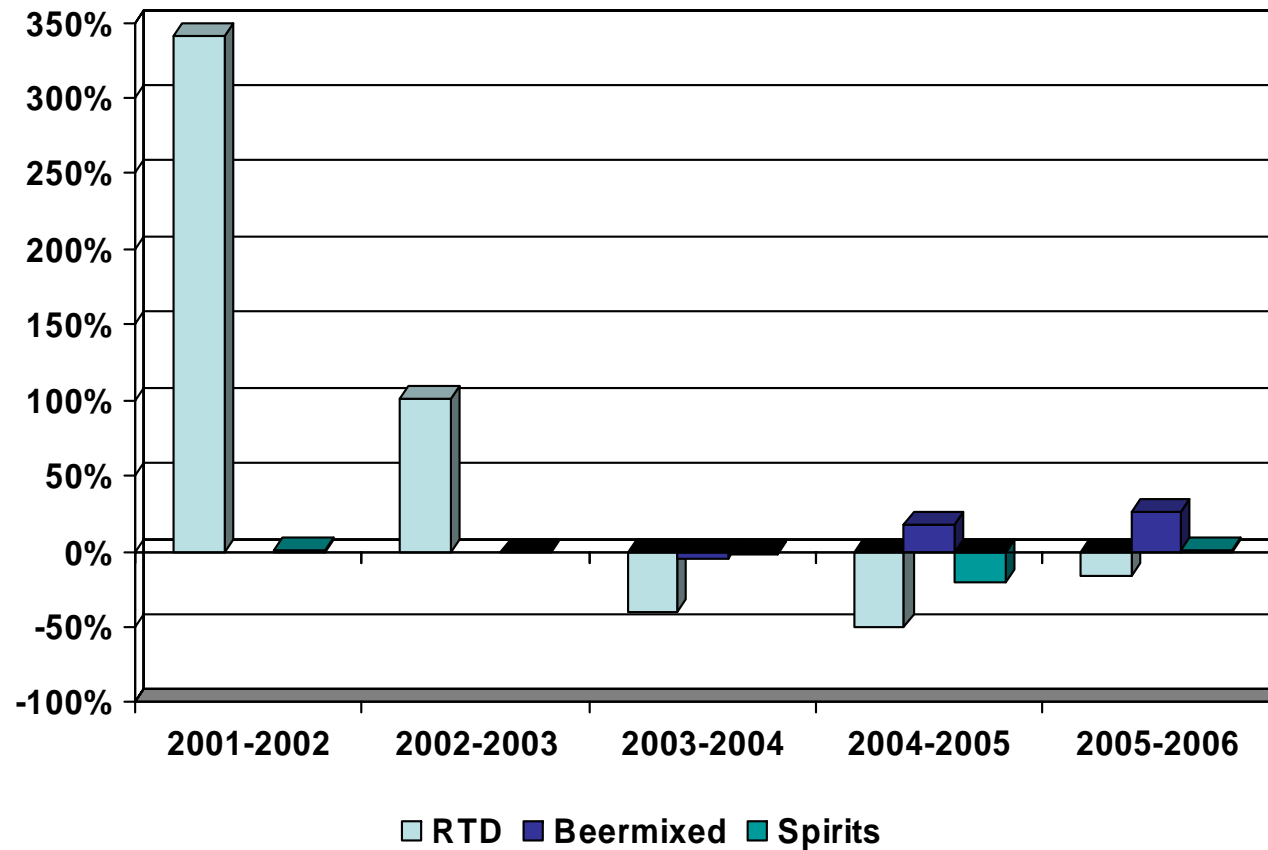


Source: BZgA, 2004

# Alcopops “History“

- **Introduction on the market of Alcopops in the mid-nineties**
- **Increase of sales by 341.3 % from 2001 to 2002 (grocery shops)**
- **Increase of turnover of 474.1% from 2001 to 2002 (grocery shops)**
- **Intensive marketing and promotion of Alcopops**
- **Commercial communication on Alcopops targets definitely young people**

# Alcopops Sales (based on sales about 1000 bottles per 0.7 litres)



Source: Information Resources GfK GmbH 2002-2006

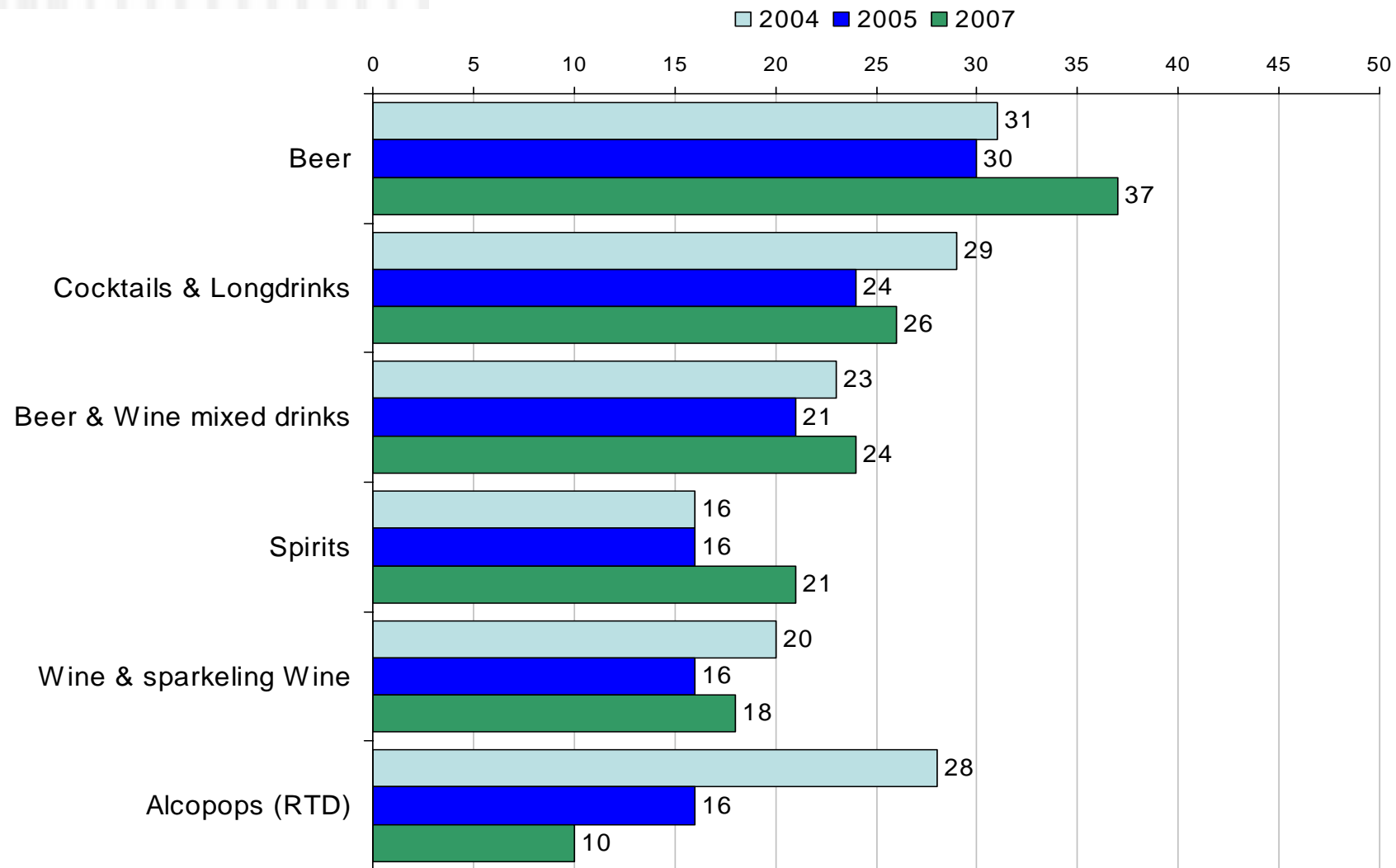
# Governmental action: Law on Alcopops

## Content and main guidelines:

- **Extra tax on RTD: per bottle (275 ml) 0.83 € (5.5% alcohol by volume)**
- **Labels on the bottles: sale to minors are prohibited**
- **Taxation revenues are used for prevention programmes on alcohol**

# Impact of the Alcopops-Law

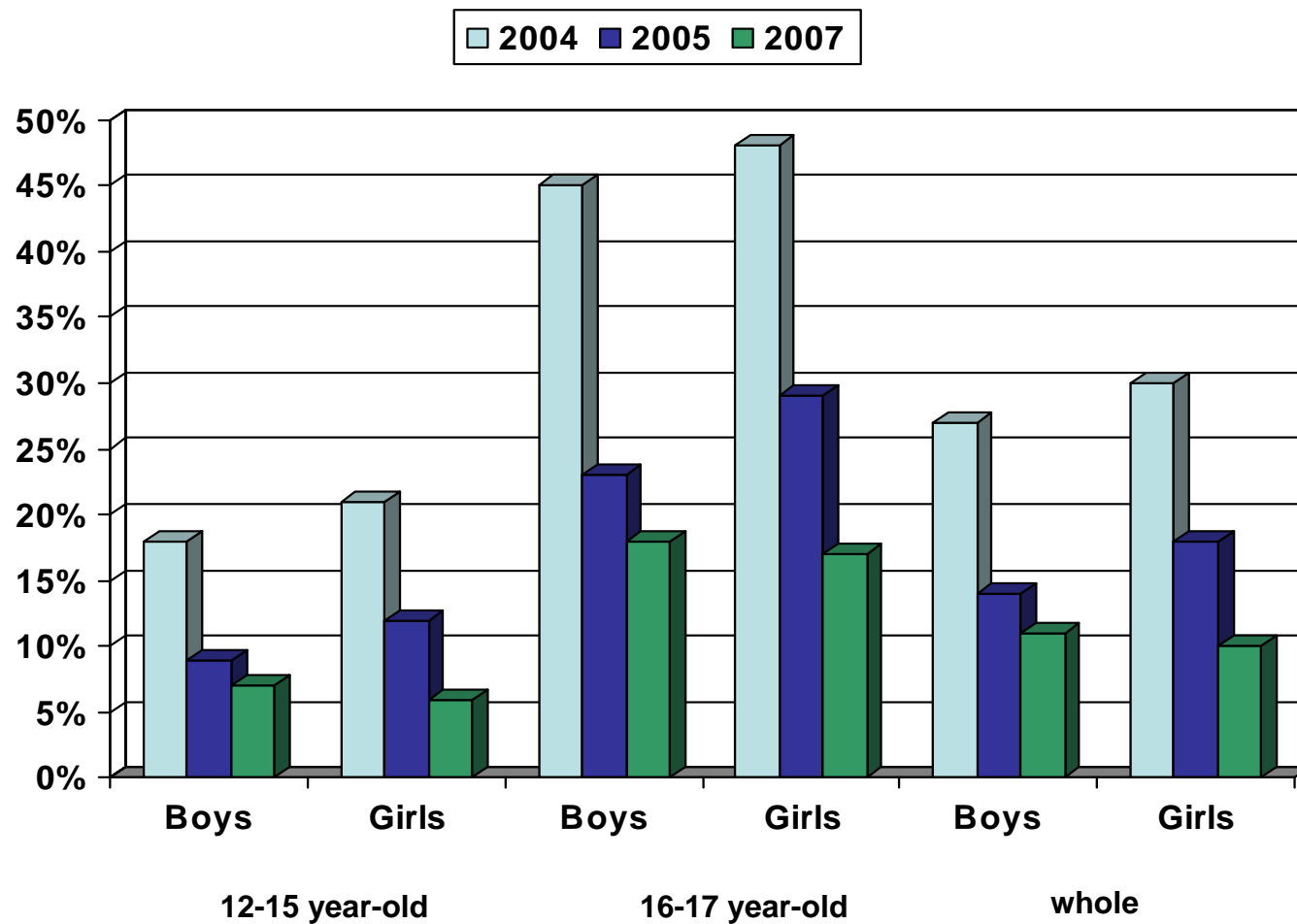
Favourite alcoholic beverages at least once per month among 12-17 year olds (percent)



Source: BZgA, 2007

# Impact of the Alcopops-Law

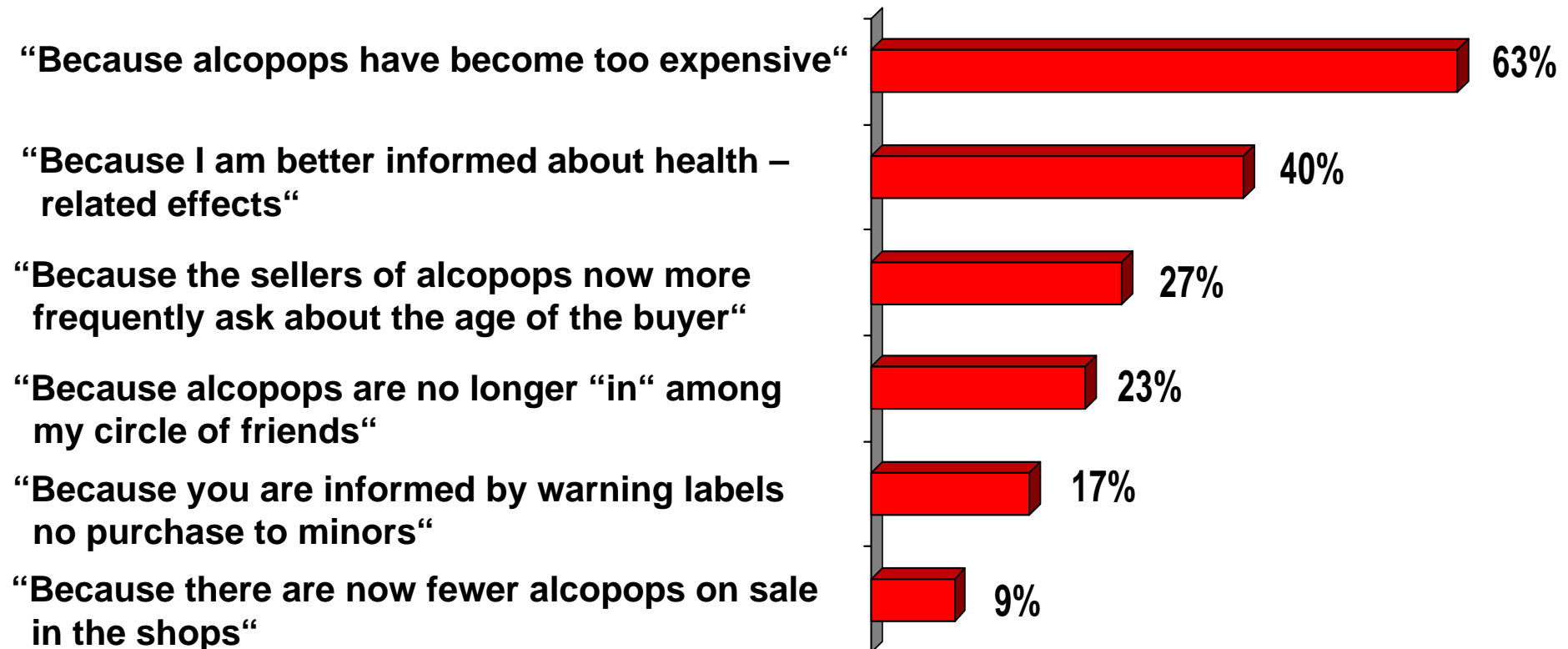
Frequency of the consumption of Alcopops 2004-2007(at least once a month in %)



Source: BZgA, 2007

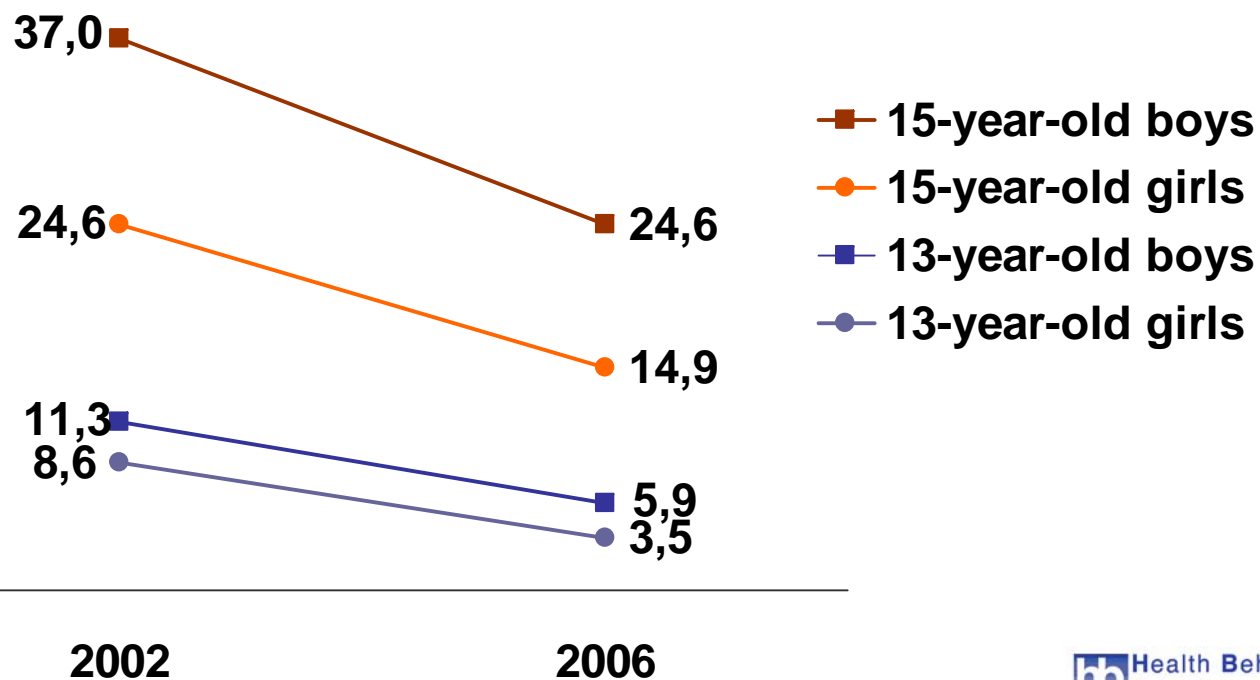
# Impact of the Alcopops-Law

Less spirits-based alcopops are now purchased, or no more at all,...



Source: BZgA, 2005

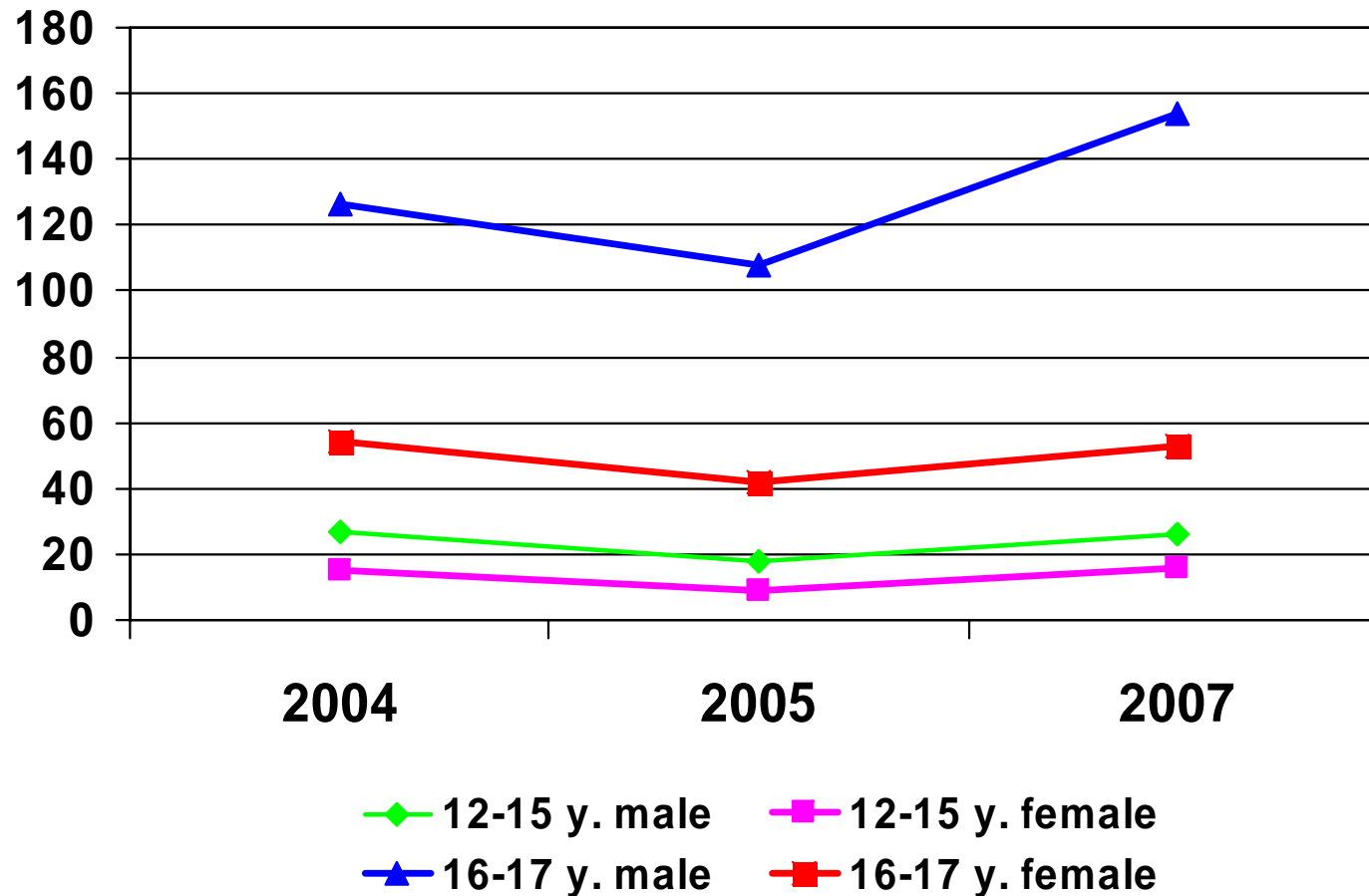
# Regular Alcohol Consumption in Germany 2002-2006 (min. once per week in %)



 Health Behavior in  
School-aged Children  
A World Health Organization Cross-National Study

# Current Situation

## Amount of consumed Alcohol (in grams of Alcohol per week)



Source: BZgA, 2007

# Prices of Alcoholic Beverages (spirits & wine)

**Californien Gallo Family Vineyards oder Spanien Rasgón de Maria**  
versch. Sorten, jede 0,75-l-Flasche  
Grundpreis: 1 Liter = 3,32  
**3<sup>99</sup>**

**Blanchet oder Erben**  
versch. Sorten, jede 0,75-l-Flasche  
Grundpreis: 1 Liter = 2,32  
**2<sup>49</sup>**

**Deutschland/Pfalz Hans Köfer Rebsorten-Weine**  
QbA, versch. Sorten oder  
**Griechenland Imiglykos Mirios**  
weiß oder rot, lieblich, jede 10,75-l-Flasche  
Grundpreis: 0,78 Liter = 2,38  
**1<sup>79</sup>**

**Heydt Guts Korn, Steinfucht oder Green Power**  
und weitere Sorten, 32/18/15 % Vol., jede 0,7-l-Flasche  
Grundpreis: 1 Liter = 3,30  
**3<sup>99</sup>**

**Puschkin Red Sky, Black Sun oder Vodka Boris Jelzin**  
17,5/16,6/17,5 % Vol., jede 0,7-l-Flasche  
Grundpreis: 1 Liter = 7,84  
**5<sup>49</sup>**  
**0,50 € gespart!**  
gegenüber dem Normalpreis

**Yeni Raki oder Jim Beam Bourbon Whiskey**  
45/40 % Vol., jede 0,7-l-Flasche  
Grundpreis: 1 Liter = 11,70  
**10<sup>99</sup>**

**Osborne Veterano, 103 oder Averna Amaro**  
36/26/32 % Vol., jede 0,7-l-Flasche  
Grundpreis: 1 Liter = 12,84  
**8<sup>99</sup>**

**Ballantine's Finest Scotch Whisky oder Russian Standard Vodka**  
40/40 % Vol., jede 0,7-l-Flasche  
Grundpreis: 1 Liter = 14,27  
**9<sup>99</sup>**

**Hansen Rum, Tsantali Ouzo oder Heydt Kräuter-Tropfen**  
40/38/33 % Vol., jede 0,7-l-Flasche  
Grundpreis: 1 Liter = 8,91  
**6<sup>99</sup>**

**Mariacron Weinbrand oder Wodka Flagman**  
36/40 % Vol., jede 0,7/0,5-l-Flasche  
Grundpreis: 0,7 Liter = 8,56  
0,5 Liter = 11,38  
**5<sup>99</sup>**

**12 Richtig erfrischen und kräftig sparen – das ist real,-**

**real-**

T.0.221.830.044.885

# Prices of Alcoholic Beverages (beer)

**Coca-Cola\*, Fanta oder Sprite** (Koffeinhaltig)  
 versch. Sorten, 10 x 1,5 Liter  
 jeder Kasten (+ 3,00 Pfand)  
 Grundpreis: 1 Liter = 0,39



**8<sup>39</sup>**

**2,60 € gespart!**  
 gegenüber dem Normalpreis

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**Warsteiner Pils**  
 20 x 0,5l  
 24 x 0,33l Liter  
 jeder Kasten (+ 3,10/3,42 Pfand)  
 Grundpreis: 20 x 0,5 Liter: 1 Liter = 1,20  
 24 x 0,33 Liter: 1 Liter = 1,52



**11<sup>99</sup>**

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**Jever Pilsener**  
 versch. Sorten, 20 x 0,5/24 x 0,33 Liter  
 jeder Kasten (+ 3,10/3,42 Pfand)  
 Grundpreis: 20 x 0,5 Liter: 1 Liter = 1,19  
 24 x 0,33 Liter: 1 Liter = 1,39



**10<sup>99</sup>**

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**Detmolder Pilsener**  
 versch. Sorten, 20 x 0,33 Liter, jeder Kasten (+ 4,50 Pfand)  
 Grundpreis: 1 Liter = 1,36



**8<sup>99</sup>**

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**Franziskaner Weissbier**  
 versch. Sorten, 20 x 0,5 Liter, jeder Kasten (+ 3,10 Pfand)  
 Grundpreis: 11 x 0,5 Liter: 1 Liter = 1,31  
 20 x 0,5 Liter: 1 Liter = 1,30

**11 Flaschen à 0,5 Liter = 7,19 (+ 2,38 Pfand)**



**12<sup>99</sup>**

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**Veltins Pils oder König Pilsener**  
 11 x 0,5 Liter, jeder Kasten (+ 2,38 Pfand)  
 Grundpreis: 1 Liter = 1,18



**6<sup>49</sup>**

**real-** Richtig erfrischen und  
 T. 0 221 900 044 603

# Conclusions

- the tax on Alcopops decreased the consumption among young people
- young people react sensitive on increases alcohol prices
- young people are using alternative alcoholic beverages, if these are cheaper than favourite drinks
- information campaigns on the health risks of Alcopops influenced young people and raise awareness about the impact of alcohol
- age controls at the grocery shops and other sales locations are fragmentary
- young people can be easily influenced by alcohol marketing campaigns, which are focussed on young peoples lifestyles and expectations

# Recommendations

- **Taxation revenue from alcohol should be used for prevention programmes, treatment and research**
- **Minimum tax rates for all alcoholic beverages should be increased in the line with inflation**
- **Member states should retain the flexibility to use taxes to deal with specific problems that may arise specific alcoholic beverages**
- **A range of increasingly severe penalties against sellers & distributors should be implemented in order to ensure compliance with relevant measures**
- **Bans or restrictions on the marketing of alcoholc beverages**
- **Youth specific information campaigns about alcohol should be implemented in cooperation with youth organisations**

**Thank you for your attention!**