

Contribution from the Nordic Alcohol and Drug Policy Network (NordAN) to TRIS Notification 2024/0521/FI

The Nordic Alcohol and Drug Policy Network (NordAN) strongly opposes Finland's proposed amendments to the Alcohol Act. We view this move as a significant deviation from the effective, evidence-based Nordic alcohol policy tradition, which prioritizes public health over market liberalization. Below, we outline the key issues and concerns arising from the proposal.

Public health implications

Increased availability and related harms

The proposal to allow alcohol deliveries directly to consumers will inevitably increase alcohol availability, leading to higher consumption and related harms. Research consistently shows that greater availability of alcohol is linked to increased harm, particularly among high-risk groups such as heavy drinkers and vulnerable populations. The ease of access provided by delivery services is likely to reduce barriers that currently discourage impulsive purchasing and binge drinking. This undermines Finland's public health objectives and the WHO's recommendations for reducing alcohol-related harm.

Enforcement gaps will only worsen these issues. Experiences from other countries, such as the Netherlands and Estonia, reveal that delivery services often fail to enforce age verification and intoxication checks effectively. In Estonia, according to a recent study, 71 out of 91 delivered orders (about 78%) were received without age verification. The age verification rate of 22% (17.2% for courier method and 33.3% for parcel locker orders) indicates that online alcohol sales increase accessibility to minors. Such lapses contribute to increased alcohol consumption and exacerbate the harms caused by alcohol in society.

Risks to youth and vulnerable groups

The delivery of alcohol poses significant risks to minors and vulnerable populations. Even with proposed safeguards, enforcement failures are inevitable, as shown by high rates of non-compliance in similar systems elsewhere. The increased availability of alcohol through delivery services could reverse progress in reducing underage drinking and lead to higher levels of harm among elderly individuals and those struggling with alcohol dependence. These risks cannot be adequately mitigated through regulatory measures alone.

Alignment with EU law and Single Market principles

Undermining Alko's monopoly and public health rationale

Allowing alcohol deliveries directly from domestic producers and retailers undermines the public health rationale for Alko's monopoly. By opening the market to delivery services, Finland risks eroding the exclusivity of its alcohol monopoly, potentially prompting EU-level challenges to its legitimacy. This could lead to the expansion of distance selling from other Member States, further increasing availability and weakening Finland's ability to control alcohol-related harm.

Risks of cross-border market liberalization

The proposal could inadvertently encourage cross-border alcohol trade and distance selling, complicating enforcement of national public health measures. Increased competition from foreign sellers may undermine Finland's efforts to maintain effective controls on advertising, taxation, and age verification. These risks must be carefully evaluated to avoid unintended consequences that conflict with public health priorities.

Conflict with EU principles of non-discrimination and the single market

The proposal acknowledges that "in Finland, the legal position is unclear as to whether foreign operators have the right to sell alcoholic beverages to Finland or not." Furthermore, it admits that enabling the delivery of farm wines and craft beers directly to buyers could likely lead the EU to find the regulation discriminatory against other Member States. While the government suggests clarifications will be provided in a separate proposal, this acknowledgment reveals that the current plan inherently conflicts with the EU principles of non-discrimination and the free movement of goods, as outlined in Articles 34-36 TFEU. Allowing domestic operators to engage in activities under conditions more favourable than those applied to foreign sellers creates an uneven playing field, effectively disadvantaging cross-border trade.

Given this, the European Commission should reject the proposal on the grounds that it violates EU legal principles, rather than advocating for expanded rights for foreign sellers. Highlighting the discriminatory aspects of the current proposal and its failure to align with single market rules will ensure adherence to EU law.

Regulatory and enforcement challenges

Insufficient enforcement capacity

The implementation of alcohol delivery services will significantly increase the regulatory burden on Finnish authorities. Licensing, monitoring, and enforcement will require substantial additional resources, which have not been adequately accounted for in the proposal. Without sufficient funding and personnel, enforcement efforts are unlikely to succeed, further amplifying the risks of harm.

Challenges with EU-wide consistency

Allowing alcohol delivery services raises concerns about inconsistent enforcement across EU Member States. Variations in regulatory stringency could distort competition within the internal market, disadvantaging businesses in countries with stricter rules. This imbalance undermines the principles of fair competition and effective public health protection.

Recommendations

1. Maintain Finland's restrictive alcohol policies:

Finland should retain its evidence-based approach to alcohol control, which has proven effective in reducing consumption and harm.

2. Reject measures that increase availability:

The proposal to allow alcohol deliveries directly to consumers contradicts public health goals and should not proceed.

3. **Safeguard Alko's monopoly:**

Avoid measures that could weaken Alko's role as a public health tool, ensuring that Finland's alcohol policy remains consistent with its obligations under EU law and the WHO's recommendations.

Conclusion

NordAN strongly opposes Finland's proposed amendments to the Alcohol Act and calls on the European Commission to carefully examine the legal and public health implications of this proposal. The Finnish government itself acknowledges that the proposal is likely to discriminate against sellers from other Member States, violating EU principles of non-discrimination and the free movement of goods. This internal contradiction in the proposal raises serious concerns about its compatibility with EU law and makes it untenable in its current form.

Additionally, the proposal to allow alcohol delivery services would increase availability, counteracting the WHO's recommendations and undermining the Nordic tradition of effective alcohol policy. Prioritizing market liberalization over public health risks exacerbating alcohol-related harm and weakening established protections.

We urge the European Commission to reject the proposal on the grounds of its discriminatory aspects and misalignment with EU principles. At the same time, we call on the Finnish government to withdraw the proposal and focus on safeguarding public health rather than advancing market liberalization.