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**December 15, 2023**

**Nykterhetsförbundet Hälsa och Trafik r.f.**

**https://technical-regulation-information-system.ec.europa.eu/en/notification/24741**

**Statement to the European Commission on the bill proposed by the Finnish government to amend the Alcohol Act (2023/0543/FI)**

The Government of Finland has notified the European Commission about the proposed amendment to the Finnish alcohol law. The purpose of this notification procedure is to ensure that the notified acts comply with EU law and the principles of the internal market.

Nykterhetsförbundet Hälsa och Trafik is concerned about the negative health, social, and economic effects of increasing alcohol availability. Europe remains globally the region with highest alcohol consumption. The costs related to the years of potential productive life lost and to the treatment of diseases and injuries attributable to alcohol are paramount from the standpoint of protecting healthy national economies.

The assessment of the impact of the proposed amendment (2023/0543/FI) on health, well-being, and competition policy is insufficient.

Alcohol is not an ordinary commodity. Its consumption is one of the leading causes of preventable premature death, constituting a significant global burden of disease. It is associated with approximately 3 million deaths annually. Therefore, it is imperative to examine the effects of the alcohol law in the context of public health, rather than solely from the perspective of short-term economic interests.

The World Health Organization (WHO) advocates for retail alcohol monopolies as effective measures in alcohol policy. This endorsement stems from the recognition that such monopolies can bolster public health by controlling the accessibility, sale, and consumption of alcoholic beverages .Finland has been granted a national exemption for its alcohol monopoly under the EU Accession Treaty. This derogation allows Finland to maintain its state-controlled alcohol retail system.

In terms of retail sales restrictions based on alcohol content, the Nordic alcohol monopolies have varied legislative limits:

• Iceland: above 2.25 percent alcohol content.

• Sweden: above 3.5 percent alcohol content.

• Norway: above 4.75 percent alcohol content.

• Finland: above 5.5 percent alcohol content.

In Finland, the recent Government Programme proposes an increase in this limit to 8.0%for fermented alcoholic beverages.

**Proposed Change**

The proposed legislative change would increase alcohol availability in Finland. The change would grant retail license holders (as referred to in Alcohol Act section 17, paragraph 1) the right to sell alcoholic beverages

produced by fermentation up to 8.0% by volume. The current limit is 5.5% without a specific production method restriction. Retail licenses are held by grocery stores, kiosks, service stations, and restaurants selling for takeout.

In 2022, there were 373 monopoly stores (Alko) in Finland, but 6,317 license holders for beverages up to 5.5%, of which 1,444 were licensed bars. Importing stronger alcohol into over 4,500 grocery stores, kiosks, and service stations would increase alcohol availability to citizens and negatively impact public health. The current Finnish retail monopoly and licensing system are in line with the European Union law.

**Increased Availability Burdens Public Health and Economy**

Alcohol is currently one of the main causes of premature loss of life years in Finland. Alcohol consumption has significant economic consequences, both in lost productivity and increased social and health care costs. The costs arising from alcohol are estimated to be several billion euros. Finnish workplaces are estimated to incur annual costs of 500 million euros due to alcohol-related absences and other issues.

The World Health Organization (WHO) recommends restricting alcohol availability to prevent alcohol-related harm.

In Finland, the previous change in the Alcohol Act in 2018 raised the maximum percentage of alcoholic beverages sold in grocery stores, kiosks, and service stations from 4.7% to 5.5%. Alcohol-related harms and deaths increased after the change, even more than the National Institute for Health and Welfare (THL) initially estimated, even though prices did not decrease as forecasted by the retail sector.

**Conclusions**

The planned change could increase the social, health, and economic harms caused by alcohol. If the legislative change progresses, it risks the future of the Nordic retail monopoly system for alcohol. The current government program is shifting the foundation of alcohol policy from social and health policy towards competition and economic policy. Such a development neglects the considerable harms caused by alcohol.

As alcohol is not an ordinary commodity, any modifications to the alcohol law should be evaluated in light of their potential public health impacts. Finland has a well-functioning alcohol policy rooted in public health, with the national alcohol retail monopoly being a pivotal element. The current alcohol sale structure is effective and enjoys broad public support. Meanwhile, the health and social care sectors are already shouldering a significant burden due to alcohol-related costs.

To conclude, the European Commission should consider the potential impact of the proposed change on both the future of Finland's public health-oriented alcohol policy and the growing consolidation of the Finnish retail trade sector.

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