Recent developments in Finnish alcohol policy

Jiri Damski

Director (Civic Partipation)

EHYT - Finnish Association for Substance Abuse Prevention

www.ehyt.fi



Key questions of Finnish alcohol policy



- What will happen to the public health—based alcohol retail monopoly?
- What will happen to the system for controlling alcohol sales and enforcing age limits?
- What will happen to the bans on alcohol marketing?
- What will happen to the WHO's effective measures for reducing alcohol-related harm (price, availability, marketing)?
- What will happen to the resources for preventive substance abuse work?

Home delivery of alcohol



Proposed changes by the Government:

- A separate delivery licence and permit for home delivery of alcohol
- Would enable express deliveries
- Delivery within as little as 30 minutes
- Retail sales hours and restrictions would apply to deliveries within Finland
- Age verification would take place upon handover of the purchase
- No mandatory identification required at the time of purchase
- Delivery time and method could be freely agreed between buyer and seller
- Test purchases would be allowed for authorities
- Administrative fine set at €1,000 (previously €20,000)

- Home delivery is likely to increase alcohol consumption at home
- Express deliveries should not be allowed
- The amount of alcohol delivered at one time should be limited
- The delivery licence should be strictly regulated and subject to tight conditions
- In practice, effective monitoring and enforcement will be impossible
- There is particular concern for the 89,000 children living in families where at least one parent has a serious substance abuse problem

Cross-border distance selling of alcohol



Proposed changes by the Government:

- In the future, foreign operators could sell alcoholic beverages up to 80% ABV to Finland
- The proposal is justified with EU law and a Supreme Court ruling (even the interpretation is not unambiguous)
- A distance seller could not deliver alcoholic beverages to Finland without a delivery licence or permit
- The proposal acknowledges that distance selling would weaken Alko's monopoly position
- According to the Government Programme,
 Alko's public health-based monopoly must
 not be undermined

- The proposal deliberately places different operators in an unequal position
- Foreign sellers and Alko would be allowed to deliver all types of alcoholic beverages to homes
- Domestic operators could only sell beverages up to the current legal limits of 5.5% / 8% ABV
- There are many open questions, for example:
 - Would it have been possible to work with the European Commission to find a solution allowing the same alcohol content limits for distance sales as for domestic retail sales?
 - Why should Finland accept that a single anticipatory interpretation of EU requirements might determine the entire direction of Finnish alcohol policy?
- In practice, the reform would open the door to challenging Finland's national alcohol percentage limits under EU law



EHYT

Proposed changes by the Government:

- The proposal would remove the ban on online marketing of strong alcoholic beverages
- However, advertising of strong alcohol would still be prohibited on television and radio, unlike other alcoholic products
- Marketing by social media influencers would be permitted
- Online stores could recommend alcoholic beverages to consumers based on their purchase history or in connection with food orders

- Foreign distance sellers would gain the ability to market and sell all types of alcoholic beverages to Finnish consumers
- Marketing of strong alcoholic beverages increases exposure to brands and normalises alcohol use
- **Digital marketing** is known to **increase consumption**, especially among **high-risk consumers and young people**
- Young people are exposed to alcohol-related messages in digital environments and lack the ability to recognise advertisers' persuasive intentions
- Age verification mechanisms on social media and online platforms are weak: underage users can often access websites and follow influencers sharing alcohol-related content without significant restrictions



EHYT

Proposed changes by the Government:

- The Government has raised alcohol taxes several times across different product categories (excluding beer)
- The Government plans to link the alcohol excise duty to the Harmonised Index of Consumer Prices (HICP)
- The tax liability for alcoholic beverages
 ordered from abroad has been extended to
 cover both the seller and the buyer

- EHYT has supported increases in alcohol taxation and the indexation of the tax
- Distance selling increases the risk of tax evasion
- Customs and tax authorities are unable to monitor large volumes of online orders (comparable to platforms such as *Temu*), and no additional resources have been allocated for enforcement
- Alcohol imported from abroad weakens the state's tax base and expands the grey economy
- Growth in distance selling would also undermine the feasibility of future increases in alcohol taxation

Key questions of Finnish alcohol policy



- What will happen to the public health—based alcohol retail monopoly?
- What will happen to the system for controlling alcohol sales and enforcing age limits?
- What will happen to the bans on alcohol marketing?
- What will happen to the WHO's effective measures for reducing alcohol-related harm (price, availability, marketing)?
- What will happen to the resources for preventive substance abuse work?







Thank you!

Jiri Damski jiri.damski@ehyt.fi

Kaisa Åberg <u>kaisa.aberg@ehyt.fi</u>

www.ehyt.fi