Scotland the Brave! - Alcohol Policy in Scotland

Proceedings from Brussels event, 5th September 2014 to support Scotland’s Alcohol Minimum Unit Pricing Policy
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A seminar to discuss and explore Scotland’s innovative Alcohol Policies, including an update on the battle to implement Minimum Unit Pricing (MUP)

14.00–15.30, Friday, 5th September 2014
Marble Arch, Residence Palace, Brussels

Chaired by Karin Pulkonen, President, Standing Committee of European Delladies (CPME)

Speakers:
- Donald Henderson, Head of Public Health, Scottish Government
- Professor Nick Sharp, Royal College of Physicians Representative to EU Alcohol Task Force
- Dr Peter Rice, Psychiatric Unit Chair of SHAAP – Scottish Health Action on Alcohol Policy
- Paul Burtiff, Marketing Director, CID Group (Producers of Tennent’s Lager)
- Paul Wheelan, Chair Executive, Scottish Licensed Trade Association

Lunch will be provided from 13.00–14.00 for those attending the event

#MUPsavesLives

Organised by SHAAP and Co-hosted by SHAA and SCOTHAN.
Scotland the Brave! - Alcohol Policy in Scotland

Proceedings from Brussels event, 5th September 2014 to support Scotland’s Alcohol Minimum Unit Pricing Policy

This report records the proceedings of a historic event that took place in Brussels on 5th September 2014 when the Scottish health professions joined with around 80 European colleagues and industry representatives to challenge the continued obstruction by global alcohol producers to the implementation of Scotland’s Alcohol Minimum Unit Pricing (MUP) policy.

Legislation to introduce a Minimum Unit Price of 50p was passed without opposition by the Scottish Parliament in May 2012. The legislation has yet to come into force because a consortium of global alcohol producers, fronted by the Scotch Whisky Association (SWA), Spirits Europe and the Comité Européen des Entreprises Vins (CEEV) is fighting its implementation every step of the way. The fight has moved to Europe where, in the latest stage of the legal battle, written opinions from EU member states may be made to the European Court, with the deadline for this being mid-October 2014.

Changes in the price of alcohol are a key determinant in rates of alcohol harm. In Canada, a 10% increase in average minimum alcohol prices was associated with a 32% reduction in alcohol deaths. Minimum Unit Pricing is within the competence of the Scottish Government to implement as an appropriate Public Health response to a Health crisis.

SHAAP (Scottish Health Action on Alcohol Problems) is urging other member states and the European Commission to support the Scottish policy. Minimum Unit Pricing is opposed by a consortium of multi-national alcohol producers who, inaccurately, have tried to frame this as a Health v Industry issue, rather than as a vital life-saving measure.

Eric Carlin, Director, SHAAP, September 2014
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#MUPsaveslives

This event was organised by SHAAP and Eurocare (European Alcohol Policy Alliance), with support from EPHA and BMA Europe.

Sign the online Declaration of support - www.shaap.org.uk/support-mupsaveslives.html

SHAAP (Scottish Health Action on Alcohol Problems) is an independent medical advocacy organisation, set up by the Scottish Medical Royal Colleges, to raise awareness of the nature and extent of harm linked to alcohol use in Scotland, and to campaign for evidence-based measures to reduce this harm: www.shaap.org.uk
Chair: Dr Katrín Fjeldsted, The Standing Committee of European Doctors (CPME)

I am the President of the Standing Committee of European Doctors, the CPME. The CPME has been active on the issue that we are going to discuss today, the Minimum Unit Pricing issue in Scotland. This is very much in line with our opinion about alcohol problems and we were very pleased to receive the Scottish information and to endorse this policy.

Dr. Peter Rice, Chair, SHAAP (Scottish Health Action on Alcohol Problems): Why do health professions want Minimum Unit Price in Scotland?

The move for price controls on alcohol in Scotland came from the health professions and we’re very pleased that it was taken up by government and is now passed into law. The medical and nursing Royal Colleges in Scotland are the bodies that make up Scottish Health Action on Alcohol Problems, SHAAP. We work closely with partner organisations in Scotland and the United Kingdom, the Royal College of Physicians of London, the Alcohol Health Alliance and the British Medical Association, and with our European partners, Eurocare, EPHA and the CPME.

Alcohol is a big problem and it has a big impact on health. Levels of alcohol harm are not static. They’re dynamic, they change. Soon after the Scottish Parliament was set up in 1999 the Scottish Government decided to review the data around on alcohol. I think there is an important message there for other countries; you don’t necessarily have to invent new data collecting systems, but you should make use of the data that you have which allows you to look at trends over time. This enabled us to counter the notion of,

*Och, well, that’s just like what Scotland’s like. We drink a lot, we’ve always drunk a lot, it’s always been like this, what’s new?*

We’ve been able to show that there’s been a very considerable change, deaths going up threefold over a relatively short period of time. The Scottish psyche does not explain our rates of alcohol harm. There’s been a fall recently in both deaths and hospitalisations. I’ll say a little bit about that later. We’re very pleased that that’s happened but when SHAAP was formed, that wasn’t the position, we were looking at a rising graph. Work done by David Leon and Jim McCambridge in London, published in The Lancet, gave a clear message that what was happening in the United Kingdom particularly in Scotland was not happening all over the world and if we looked at South European liver disease deaths, they had been falling.

When I was at medical school, the received wisdom was, Scots fought, their marriages broke up, they had accidents, they had all the problems that came with intoxication but
at least we didn't get cirrhosis like the French do. That was true in the early 1980s but it ceased to be true as the French, Italians, Spanish cirrhosis rates fell and the UK rates rose. So this was not part of a worldwide trend.

Minimum Unit Price is not the only thing that Scotland is doing. Mapped against the World Health Organisation’s ‘Best Buy’ list, and we’re doing something on all of them, including a brief intervention programme, restrictions on marketing, training of bar staff and better public education. But you can do all of those things and if the price of alcohol is going in the wrong direction, all of that work will be for nought, I would suggest and that certainly has been the view of every reputable organisation who’s looked at this, that price is vital and our big problem is that alcohol in Scotland is 60 per cent cheaper in real terms, in terms of income, than it was 30 years ago. That has driven so much of the harm that we’ve seen.

Change has not happened equally in all sectors and the affordability falls that have happened in the last few years have probably been a factor in the declining rate of alcohol harm but I’ll come on to that later. The affordability trends have been different in different sectors. Beer and wine in stores and supermarkets have become more affordable while the price gap between buying in a store and buying in a pub has become wider and wider and wider in the United Kingdom over this 30 year period. That is an important thing to remember when you think about the targeting that we’re trying to achieve with minimum pricing.

Affordability trends have been different in different EU countries; in the Baltic States, United Kingdom, Czech Republic and Finland alcohol has got cheaper, while in Italy, Belgium and Poland it has got more expensive. So while alcohol is quite expensive in the United Kingdom compared to alcohol in Italy, the important thing is the trend that alcohol is becoming cheaper in the United Kingdom and is becoming relatively more expensive in Italy.

Now let’s think about the distribution of consumption in Scotland. In 1994, about half of alcohol was purchased in pubs and restaurants and about half was bought in supermarkets and stores. In a relatively short period of time, less than 20 years, we’ve seen a big shift in that to something like 70 per cent of alcohol being bought in supermarkets and stores. So we see a big trend away from drinking in pubs towards drinking in supermarkets and if you look at clinic attendance, and Nick Sheron’s done some work on this, we see an even more marked trend, with 88 per cent of the alcohol that’s drunk by patients bought in stores and supermarkets and only 12 per cent in pubs. If you look at the heaviest drinking group within that, these are people drinking 200 units of alcohol a day, so people drinking the equivalent of a bottle of spirits daily, which is a lot to drink. However, 25 per cent of the people coming to our clinics are drinking at that level and only three per cent of that alcohol is being bought and consumed in pubs. 97 per cent is being bought from stores.

So we had a pretty clear idea of where the problem alcohol was coming from and I was involved in an expert group on alcohol licensing back maybe more than ten years ago. All they talked about was pubs and I was sitting there saying,

*You’re not talking about the sector that’s causing the problems here. There’s a lot of talk about server training and improving quality in pubs and all that. That’s all good stuff.*

No attention at all to supermarkets where all of the growth in problems were coming from. So what we were seeing in the clinic, this is what we were seeing, more people running into problems, longer waiting lists...the people that we were seeing were drinking more heavily and for longer.

For a lot of Scots, the drinking pattern is determined by income.

*I get my money on a Friday and I’ll drink until my money runs out*

and then they’ll stop. For the heaviest binge drinkers, that’s the pattern, and that three day binge was becoming a five day binge. Their money was lasting longer. The alcohol was cheaper, they had fewer days off and more days on, and their drinking binges were lasting longer, and they were drinking more heavily when they were drinking.

So people were malnourished, they were sicker, and our treatment depends on people learning new tricks - that’s what we’re trying to do in treatment with people, and they had impaired memory function, and you’re trying to teach people to learn new patterns at a time when their memory is very impaired from just the high levels that they’re drinking - and it made treatment more difficult and the recovery more difficult. I became more and more convinced that drinking at home is worse for you than drinking in a pub. In a pub there’s peer influence, there’s kind of a code of behaviour in a well-run pub that will have a beneficial effect on people and we weren’t seeing that. We were losing that.

So one of the appealing things about Minimum Price and why we developed it is that it targeted the alcohol that we were seeing was driving these increased rates of harm. From the work of the University of Sheffield, there are tiny levels of low cost alcohol purchased by moderate drinkers. Yes, low income harmful drinkers buy a lot of cheap alcohol but so do high income harmful drinkers, and as Franco Sassi from the OECD said at EPHA’s conference this week, of course any price intervention always has a regressive element to it; that includes Minimum Unit Price. However, the important message is that these cheap drinks are being bought by heavy drinkers right across all income groups. This is not just about poor people.

Just to finish off, to say a little bit about the improvements that we’ve seen in the last few years, I think the economics have driven that in two ways. So we have affordability falling, incomes have fallen with the economic downturn.
We’ve also seen substantial increases in the very cheapest drinks, so when we kind of really started to get involved in this, these low cost bottles of vodka, and this is 70cl bottles, would be costing about eight Euros, and the price of those products has increased pretty substantially over the past five years. Why have they increased in price? We don’t know. Some of it might be general market forces, some of it might be strategic decisions made by the retailers, by the supermarkets; whatever the reason, prices of the cheapest drinks have gone up and we’ve seen this very welcome fall. However, although we’ve seen some improvements, we can’t count on those continuing.

Our hashtag for this campaign on Twitter is #MUPsaveslives. That’s our message. We think we’ve got good grounds for saying that.

Professor Nick Sheron, Royal College of Physicians’ Representative to EU Alcohol and Health Forum: Alcohol and Liver Disease in Europe

I’m a liver doctor. Three-quarters of liver deaths are alcohol related. Liver disease kills young people. If you walk round our wards, you will see people, young and middle-aged people dying of chronic disease. It’s a very, very unusual thing in this day and age. I’d be very lucky if some of my patients make 70 years of age.

In the European region, between the ages of 15 and 50, liver disease results in 2.3 million years of life lost. So what does that mean? Well, it’s more than lung cancer, breast cancer, cervical cancer, ovarian cancer, prostate cancer combined. It’s a serious health problem.

You can split European member states into three groups. Some groups have always had a low level of liver mortality. The UK used to have the lowest liver mortality in Europe until the mid-1980s. There are other groups which have had high or increasing levels of liver mortality. These are where the problem lies. The UK has been a prime example of how not to do alcohol policy.

Liver disease is solvable. It’s really easy to deal with. This is the reason why there are those differences in liver mortality, and again, look at the orange countries. They’ve had a colossal decrease in population level alcohol consumption.

The highest increase in liver mortality has been in the UK and Finland, with the highest decrease being in France and Italy. I hope that I can convince you that there is a relationship between population level alcohol consumption and liver deaths. If we want to reduce liver mortality, we have to tackle population level alcohol consumption. Liver mortality has gone up more than fivefold, 500 per cent since 1970. This is just a disgrace. It’s just a disgrace. There is a relationship between the affordability of alcohol and deaths from liver disease, three-quarters of which are alcohol related.

The famous Ledermann curve from 1956 illustrates a probability function which tells you what different populations drink, and to my mind, the curve is shaped like a dinosaur. It’s thin at one end, it’s thick in the middle and it’s thin at the other end. The majority of people in this room will be between the dinosaur’s two front legs.
You’re drinking between a bottle, two bottles, maybe three bottles of wine a week. Ten units a week is a bottle of wine. Nobody in this room is likely to be on the tip of the tail of the dinosaur. Those are the people drinking more than 100 units. It’s a tiny percentage of the population. That is the level of consumption of my patients with cirrhosis.

I’m going to describe three pieces of data from a study we’ve done. It was a really simple study. We took 400 patients. We asked them how much they drank. We asked them what they drank, we asked them how much they paid for it, we asked them where they bought that alcohol. That enabled us to work out exactly what the impact of increasing the price of alcohol would be, and there are three things that I want you to take from this study. The first is that the harmful heavy drinkers, and these are the patients with cirrhosis, the rest have got different types of liver disease, are drinking vast quantities of alcohol. The average intake, the median is 120 units a week, 12 bottles of wine, the mean is 150 units a week, 15 bottles of wine.

So how does that compare to the population? They’re right off the end of the scale. These people don’t figure in population level surveys. They’re invisible. They’re not there. All of the modelling that’s done on population level surveys misses these individuals. The highest level of input of alcohol in terms of weekly consumption in the Sheffield model, it was 75 units a week. That’s less than half what my patients are drinking. If you think of it as a dinosaur, it’s a stegosaurus. It’s got a big spiky tail which is where all of the deaths are.

Now the thing about population level control policies is that they are very effective. Controls on price and availability are the most effective way to tackle alcohol-related harm. Tackling price is the most effective and the most cost effective. But it reduces the size of the dinosaur. It affects the whole population. It does affect heavier drinkers more because they’re spending more but it impacts on everybody.

What if we had a policy that just chopped off the tail of the dinosaur where all the deaths were? The thing about my patients is they’re drinking so much that they’re all buying the cheapest booze they can find. They pay on average 30p a unit, compared to lower risk drinkers who are paying £1.30.

The impact of a policy of Minimum Unit Price is exquisitely targeted at the heaviest drinkers, exquisitely targeted. It basically doesn’t impact on low risk drinkers at all, even low income drinkers. If you’re affected by Minimum Unit Price, effectively you’re drinking too much. There’s no other alcohol policy does this. This is absolutely unique. The result is that there is a 400-fold difference in the impact on harmful dependent drinkers with cirrhosis compared to low risk drinkers.

In France, liver deaths have fallen as population level consumption has decreased. What you don’t get from the public health literature, and I had to search through the DG AGRI databases to get this data, there has been a decrease in consumption of cheap wine, while the consumption of expensive wine, wine in bottles with corks, appellation controlee, regional wine, has gone up and as a result the value of the wine market in France has increased. So we have a win-win situation. Because the French wine industry has shifted from a business model based on quantity to a business model based on quality, not as a result of any health policy but as a purely pragmatic reaction to the fact that the French population became educated about the health impact of wine, and they started to realise - they all had a relative with cirrhosis and they all had a relative with alcohol dependency - and they started drinking less. There’s a win-win situation for industry as well. I think because we’ve got two industry speakers coming on now, I think that’s a very relevant place to finish.
Donald Henderson, Head of Public Health Policy, Scottish Government: The Scottish Government’s response

I hope you found what Peter and Nick were saying persuasive. Ministers in the Scottish Government found those arguments very persuasive and they were persuaded that alcohol harm needed to be reduced in Scotland and in particular that we were looking for an instrument which would chase where the harm existed. And as Nick pointedly illustrated, that wasn’t across the totality of the population. The harm was concentrated in lower income groups, as indeed most public health harm does. Whether it derives from diet and obesity, or smoking, or drinking, or mental health problems, it’s in that part of society where problems predominate.

The beauty, it seemed to us, of Minimum Price was first of all that it was based on relationships which are very well understood. The economic link that there is between price and consumption and the medical link that there is between consumption and harm, but still more what we were looking for was something that delivered progressive effects that would maximise the impact on those areas of society that we needed the biggest change, and then reduced its impact towards the level that Ministers, using their margin for appreciation, had decided was the intervention point. Minimum Price did that for us but, most importantly, what were our alternatives?

The classic economic response is to use tax. Of course tax really exists to raise government revenue. That is its purpose but it’s obvious that in raising price, you’re also changing, some would argue distorting consumption behaviours, and sometimes governments use tax to achieve that end as well. Tobacco is an obvious example. But we should keep in mind two things: First of all, that tax is really there to raise revenue and we weren’t looking to raise revenue. Secondly, that if it changes behaviours in the way that you need behaviours changed, that’s great. The problem was that the tax structure in Europe doesn’t do that for us. We have VAT and we have excise. VAT only looks at value. It doesn’t look at alcoholic products drinks. It can’t. It is prevented from doing so. Excise only looks at product strength. It does so in somewhat mixed and arguably confused ways in some product sectors but it only looks at strength. It can’t look at value.

As Peter’s and Nick’s data clearly show, our problem is that we need to look at the combination of price and strength, so both of the existing tax measures miss the mark.

We’ve been at this for a long time in Scotland. We had a public consultation on this and other measures around alcohol in 2008. We have had the Scottish Parliament looking unsuccessfully 2010 to ’11 and then successfully 2011 to ‘12 at this process leading to an Act reaching the statute book in June. Perhaps the most important part of this was the high profile election commitment and the continuing public support. We had a general election in Scotland in 2011 and the SNP, the party in power in Scotland from 2007 to the current date, went into that election with Minimum Price as one of their key measures, one of their top three or four measures. It was on a little credit card sized thing that they tried to give to every elector.

Ministers in the Scottish Government don’t go so far as to say that that won them lots of votes or that it led to them being returned to government, but it’s very clear that nobody can argue that this was a political policy supported by the people. This was done in not only full visibility, full highlight in an election campaign in 2011, which then produced a majority government in Scotland. There’s continuing public support for this, through private company opinion polling, YouGov, and through public survey data, through Health Survey data, there are more people who support this policy even now after all of the debates than oppose it. That’s quite interesting for those of us in the public health community, that here is a policy which is proposing to increase the price of a product which most of us consume and which most of us consume pretty safely, and yet there is public support for that in Scotland because people are persuaded that the public health and public safety arguments outweigh the trade and those personal arguments around access to a product.

Not everybody does agree with that, however. We reached Royal Assent in the primary legislation in June 2012 and the following month we were taken to court by the industry, it’s a wide grouping but led by the Scottish Whisky Association and the international wine industry. That case was heard in what’s called the Outer House, our equivalent of the High Court and the Court of First Instance, and we won that first case hands down, with a very clear, very persuasive judgement in the spring of 2013. Not to our surprise, it was appealed to the Inner House and that court is currently considering it. It has sent six questions to the EU Court of Justice, six questions. It believes these are essential to answer in order for them to reach a decision on the case. We’re in the middle of a process where member states have to submit observations and indeed the European Commission has to submit observations, roughly within the next seven weeks, and sometime next year we will have both an Advocate General opinion and possibly the full court’s opinion and response to the questions.
I want to make one thing very clear. We believe that this is the right policy for Scotland. We believe that it’s the right policy for the problems which Scotland faces but we do not say that this is a policy that should be implemented all across Europe. We know that some countries are interested in it. Some countries are interested in our data, our analysis, our thinking. Some of them go on to think that Minimum Price is maybe also their answer for their problem but we are not advocating this across the Union. It’s very important to understand that.

The core of the court case, and indeed the core of the questions asked by the Court of Appeal in Scotland, relates to a number of things, and I’ll very briefly run over the key aspects. First of all, Article 34 versus Article 36, this is really one of the most important aspects of the case itself. Article 34, for those of you who don’t know it in the treaty, is, Thou shalt have free trade.

It’s a founding part of the European Union and it’s a founding part of the thinking that led Schuman and others to develop the EEC and the coal and steel treaty in the late 40s and early 50s. Free trade, the European Union wouldn’t exist without free trade, Article 34, that’s what it’s about. Article 36 then tempers the right to free trade. It says that you can have an unintended impact on trade if it’s justified and if it falls under three headings, public health, public security and culture, a third one, which is not really often used now. Now we’re clear, and the European Commission is clear as well, that we passed the first two hurdles.

• First of all, is there a problem here? Well, yes, you’ve seen the data and we’re not alone in the European Union in having a problem of this kind of scale. That’s not surprising because Europe is the heaviest drinking part of the world, so when a country sees itself as being number five in the European league, they might think, well, that’s all right, but that’s around number five in the world, and that’s not always a good league table to be in the top of.

• The second thing is not only, is there a problem but is this a relevant way to deal with it? Is price a relevant way to deal with this issue? Again, the Commission agree with us that it is. We then part company with the Commission although I know that there’s a vibrant debate going on within it as to whether there are better price instruments. They think tax. Nick and Peter have just demonstrated clearly why tax doesn’t do it and the reason that tax doesn’t do it is that VAT looks at value, not strength, and excise looks at strength not value; both miss the mark. Another stranger, and to many, more scandalous argument is that the Common Agricultural Policy should trump any argument on public health. This is because wine is an agricultural product. That is inarguable. Secondly, within the European Union, the Common Agricultural Policy introduces market mechanisms, common market mechanisms, across the Union. Actually price doesn’t figure very high in those common market measures, and it certainly doesn’t figure at all in relation to the price that the consumer pays when they go into a shop or a bar or a restaurant. However, the industry are arguing that because there is a measure of common market organisation, that means that we can’t change the price, regardless of why we would be changing the price. There is then an issue about, if we can’t do that for wine, would we be able to do it for the remainder of the market because the heaviest drinkers chase the cheapest products. I’m personally not sure. I think it would still be worth doing. But most of all we believe first of all that price is not a limiting factor. Secondly, even if it is a limiting factor, Article 36 trumps that as well. The importance of human life has to trump a technicallity within the Common Agricultural Policy.

• The third big issue is actually nothing to do with alcohol. It’s nothing to do with public health. It’s to do with the role of the courts and it’s to do with the role of parliaments in a democratic society. The Scottish Parliament looked, in 2010 and 2012, at the evidence. It looked at evidence presented by health groups. It looked at evidence presented by industry groups, who made the argument that this wouldn’t work, it wasn’t efficient, it would be illegal. They looked at that evidence and they concluded that it would work, that it was relevant, that it was legal, and normally the test in the British courts, Scottish courts and English courts, as to whether the courts can strike down a parliamentary or government action - it’s a high test, deliberately - is that they can only do so where the action has been manifestly unreasonable, deliberately setting a very high test. What the courts have never done before is to go in and say, Well, I know, Parliament, you looked at this evidence and you concluded X over Y but we disagree with you, not because it’s manifestly unreasonable, just because we disagree with you.

Now I’m personally not sure why the court has asked this question because the answer to me as a public servant of some years’ experience should be obvious and I hope that we get that response from the court in Luxembourg. The foundation, not just of the European Union but of our whole democracy, rides on the courts not being able to decide that they prefer the evidence of X over Y albeit that there is a protection of manifest unreasonableness.

• The final element is one of subsidiarity and member state margin of appreciation, and this is important because some people may argue that the Scottish Government is overreacting. They can recognise that there is a problem and that this is a means of tackling this problem but they wouldn’t go as far as to introduce Minimum Price. However, it’s been established in European law that where it comes to issues like this that it is for the ministers in the local jurisdiction to be
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given a very wide margin of appreciation to decide the level of protection that the public should be offered. Probably the most well-known piece of relevant case law was out Italian motorcycle trailers: Among the many road traffic challenges that existed in Italy, there was a particular safety problem over motorcycle trailers. The Italian Government therefore decided that the answer was not to introduce a separate licence category, it was not to introduce mandatory driver training, it was not to introduce a host of other things that they could have done. It was to ban them because their judgement was that that was the best answer. The European court backed them in that judgement. They allowed that the politicians who were best able to assess the level of public protection required were the local politicians in Italy, not a court of justices sitting in Luxembourg.

So this isn’t a policy which is protective of domestic industry. The majority of the impacts, the product categories that will be affected, are actually of British manufacture and a great many of them are of Scottish manufacture. Clearly, Scotch whisky production is 100 per cent Scottish but a great deal of gin and vodka is also made in Scotland and that which isn’t made in Scotland, most of it is made in the north of England. That’s so for almost all of the cheap products. Minimum Price does a job that tax can’t do and that European law prevents it from doing. Minimum Price applies across all categories in exactly the same way so that it doesn’t discriminate in relation to origin or to class of alcohol. A strong beer at six per cent would be charged at Minimum Price at exactly half the level of vin ordinaire at 12 per cent. And that’s as it should be because what we’re interested in, the only thing we’re interested in, is the ethanol in that product and the price that attaches to that.

Most of all, it will be an effective policy when we’re able to introduce it, it will save lives and it will reduce alcohol harm. What’s not to like about that? I’m delighted that I’m speaking on the same platform today as industry colleagues; this means that they want a successful industry which knows it will continue to be successful into future years. Most markets rely on live consumers in order to be able to do that. I’m happy to provide more live consumers for industry to sell their wares in a responsible manner.

Paul Waterson, Chief Executive, Scottish Licensed Trade Association: A view from the Licensed Trade

Since 1880, the Scottish Licensed Trade Association has been looking after the interests of liquor licence holders in our country. Our members are predominantly individual operators, running not only our nation’s public houses, hotels and restaurants but also nightclubs and other late opening premises. It might come as a surprise for many of you to find out that my association has been arguing for price controls in alcohol since retail price maintenance was abolished in the UK in the late 1960s. We supported retail price maintenance and fought its repeal because it stopped unscrupulous pub and bar operators cutting alcohol prices and/or running irresponsible drinks promotions. We maintained that cutting alcohol prices to boost sales would have a detrimental effect on the reputation and development of our trade and would significantly increase alcohol problems in our country.

This view was heightened in the mid-1970s when longer opening hours for pubs were introduced in the hope that it would promote a more relaxed style of drinking. This gave young upstarts at the time (like myself) the opportunity to change Scottish pubs from being purely places to go and get drunk, the old spit and sawdust pubs, to places providing a range of amenities including food and entertainment. However, new opportunities also led to an explosion in the amount of licensed premises and to problems related to over-competition or, as we call it, “overprovision”. It was logical to us at that time that if, because of the massive increase in the amount of licences, publicans became involved in price wars with each other, there would be an erosion in profit leading to a decreased spend on staff training and development and less investment in the design, furnishings and general quality of our premises, the opposite of what we were trying to achieve at the time for our industry. And more importantly, perhaps, we contended that heavily discounted prices must lead to an increase in alcohol misuse, which was then and unfortunately still is, a major blight on our country’s image.

So after all these years, where do we find ourselves now? Certainly our pubs, bars and so on have radically changed and moved away from the drinking den environments to places that cater for a wide range of different tastes, where croissants and cappuccinos are now as common as pints and the Scottish pie. On our side of the trade, market segmentation has taken place, decreasing some of
the problems associated with overprovision. Irresponsible promotions are frowned upon; indeed most are banned by law. They’ve virtually ceased. Training for licence holders and staff is mandatory in Scotland, so for the majority standards have been raised to a high level. However, on the abuse of alcohol front, the last 40 years have been a dismal failure. For those of us genuinely trying to do something to change Scotland’s very negative relationship with alcohol, the figures as we’ve seen today make depressing reading.

So why hasn’t our improvement helped? Well, it’s quite simple, because little did we know, as we were working hard to improve our side of the trade, someone was waiting in the wings ready to fill this cheap drink vacuum, target our side of the business and use an aggressive marketing and pricing policy that would make misuse problems worse than we ever imagined. So by using price, supermarkets have cornered the alcohol market in our country. Supermarkets and off-sales now account for 69 per cent of all Scottish sales and supermarkets account for around 75 to 80 per cent of that.

So we’re now a nation of unsupervised home drinkers and supermarkets, who, because of their size and power, continually protect their market position by slashing prices, circumventing laws and by challenging in our courts those responsible for enforcing our licensing regulations. The relationship between low prices and increased consumption and the potential for misuse is as obvious as it is dangerous. Price stability, crucial within a licensed product market, has been lost, and because prices are distorted by the market leader to increase volumes, it needs external intervention to correct it and the only efficient way of doing this, as we’ve seen, is Minimum Unit Pricing, and that’s why we stand here today and applaud our government’s action on this.

Those opposed to it see any government involvement as a barrier and a hindrance to their business. Intervention in principle for them is wrong. They argue that it highlights the apparent incompatibility between on one side statutory restrictive practices, in this case our licensing laws, and on the other side the need for businesses to prosper and be successful by using a free market ethic and a deregulated framework. Surely laws which are there to restrict who you can sell your products to, when your customers can purchase them and how often you can actually sell to them must put prohibitive pressure on businesses which are therefore, after all, to make maximum profit at the lowest cost. Tensions and differences in interpretation will always exist. Volume and profit for companies which dominate our market comes before anything else.

However, profit should not be achieved at any cost. We are licensed for a very good reason. Trends will come and go. Supermarkets will come and go. But one thing remains constant to us, alcohol is potentially dangerous and must be respected, and we say in the SLTA that regulation and profit need not conflict. The retailing of alcohol must maintain what is a difficult balance between responsibility, your moral obligations and your ambitions, and harness them together in the pursuit of profit. To hold a liquor licence in Scotland is a privilege and with that privilege goes a responsibility to our customers, to society and to the trade as a whole. Underpinning the profit motive must be the realisation that alcohol is a very dangerous product when it’s abused.

But who says when these considerations over abuse should step in over the need to make money? When does your retailing style actually promote alcohol abuse? When does bending the law become breaking the law in this never-ending pursuit for more and more revenues? Well, certainly not accountants and certainly not people trying to appease their shareholders. The law here must be the arbiter. It must guide the trade through the battle between profit and regulation and balance for the general good the needs of business with the needs for control, and legislation must reinforce good retailing practice. There’s no point in the majority having a responsible retailing attitude if others are abusing the system to gain a competitive advantage, and hence the need for minimum pricing.

It cannot be right that alcohol is used as a loss leader. It cannot be right that it is sold cheaper than water. It is not right that it should be marketed and sold just like any other product. The operators that do this have no respect for our current licensing law or its health and public order objectives. They do not care about the ramifications for our emergency services and our society generally. They do not care about our trade reputation and our relationship with others. Alcohol is unique, an asset when enjoyed in moderation, a curse when it’s abused. Minimum Unit Pricing is a crucial piece of legislation which will help us to continue to improve our trade and continue to provide quality premises that are the centres of the communities they serve. It will also enhance the good work being done by the government, many in our industry, health professionals and others as we try and lay the foundations for a far more positive relationship with alcohol in Scotland.
*Producer’s perspective*

Paul Bartlett, Group Marketing Director, C&C Group: A Scottish Alcohol Producer’s perspective

Paul Bartlett: I’ve been involved in the selling and marketing of alcohol and trying to make it more popular for nearly 20 years, most of my career, and I now work for a company that by volume produces the most alcoholic products sold in Scotland. I’m now going to explain why I and the company I’m part of are in very strong support of Minimum Unit Pricing.

So a little bit about the company: C&C, Cantrell and Cochrane, we’re based in Dublin although Scotland is incredibly important to us. About a third of our business and a third of our revenue in our business comes from Scotland and we have a beer business called Tennent’s Lager which we’re very proud of in Glasgow. We have been brewing in Glasgow since 1556. We’re not in this for the short-term and one of the main reasons we’re supporting Minimum Unit Pricing is that we see the long-term view and we’d like to be still doing this in 500 years’ time. We’re a big company in Scotland. We’ve got about 50 per cent share of the beer market but we’re not big in terms of global scale. If you look at Diageo, they’d be, say, 30 times bigger than us or ABI, Anheuser-Busch InBev, is about 100 times bigger than us in market capitalisation terms. So we’re not big on a global scale but we are big in Scotland and we are very well-connected to the Scottish market and the Scottish consumer, and we think that gives us a unique insight and position to understand what we need to do to manage the future of our business.

So just to touch on investment, we invest heavily in the EU. We’ve spent about £300 million over the last few years, mainly in Ireland and in the UK, but we’ve also invested in a plant in Portugal and we have a business in America that we bought a couple of years ago as well. So we’re a medium-sized company, we’ve got 1500 employees and market capitalisation of about £1.5 billion, so that gives you a bit of a scale for that. The EU is incredibly important to us. We pay a lot of tax there. We pay our corporation taxes in the markets in Scotland and the UK and Ireland where we operate, so we pay our taxes and we’re very well embedded in the European agriculture industry. We make apple purchasing contracts for our cider business which are usually 22 years long, particularly topical today as there are debates about apple pricing with Russia and everything else, so we have a very long-term commitment and that is another part of our business in terms of how we think.

We’ve got a very strong position on responsible drinking and we’re going to add to that with Minimum Unit Pricing. As a drinks producer, I look at liver disease charts and you hang your head in shame, you’ve not been able to do something more meaningful about that, and it’s not a proud situation to be in. It is essential that drinks companies do take a step forward to help address these kinds of things. Minimum Unit Pricing for us is a key step in that battle. It’s not acceptable what’s happening to the market at the moment. What is an absolute clear fact is that in Scotland we have a unique relationship with alcohol. It is a problem. It’s not affecting all people but there’s a significant minority who do need to be thought carefully about in our policy setting and the way we market ourselves as a business and the way we operate and so on. So there’s an absolute acknowledgement of a problem to be fixed.

Just talking about Scottish trade, this is looking at it from a beer perspective, there’s an absolute schism between what’s happening in the on-trade and the off-trade or between bars and clubs and supermarkets. The off-trade, the supermarket market, is now much bigger than the pub market for beer, and the prices, well, typically 60p a can is very common in supermarkets, whereas it’s been more like £3 for a pint which is a bit bigger than a can, but roughly £2.50 a can it would relate to in pubs. Then if you look at spirits, similarly an enormous or even greater price differential. And as a result of all that, no surprise, the supermarket market is growing very strongly whereas the licensed trade market is declining.

And what you’re finding is that a lot of the problems that we find, not just to do with health but to do with law and order, that we see on our streets emerge in the night-time economy in the early hours of the morning, fuelled by drinking that was done much more cheaply earlier on in the night, having purchased things in supermarkets, and we heard earlier on about the number of people with serious liver problems who are getting their alcohol very cheaply in supermarkets. This is undoubtedly an issue that needs to be worked on. A lot of measures that are taking place to address responsible drinking today are being more effective in the on-trade, in the bars and pubs, where it’s easier to make action than it is in supermarkets where there are big multinational companies both supplying and retailing and it’s been much harder to make progress there.

So why do we support Minimum Unit Pricing? This is the key question, and it comes down to some very simple points. When this was being debated in the Scottish Parliament before it became a Bill and when consultation was being sought, and we were part of that consultation process, we had quite a simple meeting. It was a board-level meeting and it came to a very quick conclusion: yes, we must support Minimum Unit Pricing, for these reasons. And these reasons have never changed in our business from the very first meeting we had:
One is a point I’ve already made. We are in a business that’s interested in the long-term. We do want a business to be brewing beer in Glasgow in 500 years’ time. It’s about making sure we have a sustainable relationship with our consumers and with the government and with all our stakeholders, and that means treating people fairly and acting responsibly in that sense. So we absolutely see this as a long-term step that we need to take.

Secondly, it’s got a clear democratic mandate. Our consumers are also voters. Who are we as a drinks company to stand against the will of the people in the election, that elected the Scottish Government? As Donald has already highlighted, Minimum Unit Pricing was one of the lead promises in that last election, and Scottish people are still supportive of it, and we know our consumers on balance are still supportive of it. So there are those two key principles there.

Thirdly, it’s just a sensible step. What harm could it possibly do and it will probably do quite a lot of good so we need to support it. A lot of people argue that it won’t work and the pricing isn’t a big factor. Well, I used to work for Heineken. I used to work on the Strongbow Cider brand owned by Heineken. Anybody who for one minute argues that pricing is not a factor in buying alcohol is not living on Planet Earth, frankly. If you reduce the price of Strongbow in supermarkets by 40p, the volume increases by 200 per cent. All the drinks companies know this, all the retailers know this. It’s very easy to do the economic modelling analysis to work out where your ideal point is to pitch your volume and your price, to fill up your factories and keep your volume moving ahead, keep your sales teams happy and everything else. I’ve picked Strongbow here. I could have picked any brand. All businesses know this. They all do this very simple basic elasticity modelling, and it’s very easy to plan your business on the back of that.

It is a fact that there is overcapacity in the UK market for supply of beer, particularly, and other alcoholic beverages. So people are trying to fill up their breweries and their distilleries and so on, and that is driving behaviour. So if you take beer again, seven of the top ten and all of the top five lager brands have become cheaper in the last 12 months. This is not coming to an end. The fact that supermarkets are getting stronger and big drinks companies are supplying them and the prices are going down is continuing. This problem is not going to go away if we quietly sit back. Alcohol is getting more and more available over the last 30 years in terms of pricing. This affordability will continue and there’s nothing to stop it continuing unless we act. The top beer brands in the supermarkets at the moment are about 30 per cent below a 50p Minimum Unit Price level at the moment, so not only are they getting cheaper, but also they’re already well below where Minimum Unit Pricing would be. In other words if you put in Minimum Unit Pricing, it would have an effect of something like a 30 per cent increase in the price of beer in the supermarkets tomorrow.

Now some people have talked about, well, you could do other things and there’s been lots of work going on to try and address the issues of alcohol misuse and what is important about the Scottish Government plan is it’s a 36 point plan to address alcohol misuse, of which Minimum Unit Pricing is part. But I’d argue today that Minimum Unit Pricing is an essential part because there has been lots of action to try and get round this in other ways, to tackle cheap, strong alcohol, and they’re not working. There’s recently been a big exercise with the Home Office and the Portman Group in London which spent about a year trying to get people to agree a whole series of pledges and in the end only one company signed, and it’s not been generally adopted by the industry, and it’s not been generally adopted by the retailers. So we need a local solution. Scotland has got a specific problem and it has a different relationship with alcohol to other parts of the UK and other parts of Europe and we’ve got a solution here on the table which is available to us now to implement.

As a company, we are committed to the EU and to Scotland. As I say, we’re listed in Dublin, we report in Euros but we have an important business in Scotland. We’re a small company, relatively. 1500 people is quite small in the global drinks industry. And we’ve got a very clear local perspective. I live in Scotland, our Chief Executive lives in Scotland, we have a very clear understanding of the local perspective. There is a problem, as we’ve acknowledged. Using the principles of a long-term commitment, and a belief in the democratic process, we made a decision to support Minimum Unit Pricing and continue to do so. Other attempts to tackle it simply are not working, and Minimum Unit Pricing is fair. It’s a level playing field. If you’ve got cheap, strong alcohol, and they’re not working. There’s lots of action to try and get around this in other ways, to tackle cheap, strong alcohol, and they’re not working. There’s a big exercise with the Home Office and the Portman Group in London which spent about a year trying to get people to agree a whole series of pledges and in the end only one company signed, and it’s not been generally adopted by the industry, and it’s not been generally adopted by the retailers. So we need a local solution. Scotland has got a specific problem and it has a different relationship with alcohol to other parts of the UK and other parts of Europe and we’ve got a solution here on the table which is available to us now to implement.

Scotland, Alcohol Policy & Minimum Unit Pricing
Dr. Roberto Bertollini, WHO Representative to the European Union and Chief Scientist: Discussant

I am particularly pleased by the interventions of the representatives of the industry because it shows that we can develop a productive dialogue with the industry, or at least with some of them, and to try to achieve good public health results. I think we are facing, public health organisations and WHO also, and I’m now speaking on a personal basis because I don’t completely represent at this moment what the official position of the organisation is. We have been very reluctant in the past to have any dialogue with any industry whatsoever, I mean, in the industry in general terms, I mean particularly of course the tobacco industry but also the alcohol industry, and I think we have to distinguish between the different groups and we have to try to find the way to bring and to push the agenda forward. We cannot simply ignore the possibility for some alliance to be set in this particular area.

Having said that, I want to say that just to remind you a few numbers that add on top of the numbers that we were shown at the beginning about the liver diseases. We are really talking about a major public health problem. We’re talking about 120,000 deaths per year. We are talking about 5.4 per cent males addicted to alcohol, 1.5 per cent females, about 11 million people. We are talking about something which costs to this society, you know, it’s been estimated, there are different estimates, I mean you might have seen different numbers, but I mean something in the order of 125 to 150 billion Euros per year. So this is a major issue but it’s an issue which faces tremendous problems in terms of implementation.

There is a lot of difficulty in bringing this agenda forward, and there is the need for political commitment. We have the need to look at data like the ones today about the consumption in France and the rise of consumption of high quality wine, which is something which we have to make the policy-makers much more aware of, because much of the resistance that we can face in this area, and I am from a country which is one of those declining but still uses wine in quite a substantial way, and produces also good wine...convincing them that promoting Minimum Unit Price is not damaging the good industry, it’s actually damaging the ones who produce products of low quality, who make this tremendous public health problem, raise the addiction rates.

WHO has been developing and proposing in the last years a number of so-called “Best Buys”, which are the strategies which can be effective in reducing certain public health problems. Also recently non-communicable disease issues got higher in the agenda of policy-makers and in the next few weeks, there will be an assembly at the United Nations in New York to verify progress made on the declaration against non-communicable disease of 2011. This is the second time in the history of the United Nations that a public health issue gets to the attention of the Prime Minister and the Minister of Foreign Affairs at the highest level. So there is a momentum in which we have to push in the direction of the effective strategies for controlling alcohol consumption and abuse.

The “Best Buys” are Minimum Unit Price, the restriction of availability, the restriction of marketing. Nobody spoke about marketing here but it’s enough to watch the football game or to go to a movie theatre and see how many times and how often and how convincing and charming is the marketing of many products. I think this has to be regulated, particularly with respect to young people, because this is an area that is very sensitive. We had a lot of difficulties in making the tobacco marketing restricted in the past. Still they try to cheat, everybody, to funding the movie industry or on the TV shows or maybe now the e-cigarettes with the same labels. So it’s always a battle, but I think this marketing area needs to be addressed, together with Minimum Unit Price and availability.

Coming from a Southern European country where the culture of wine is the culture of social use of wine, you drink wine together with other people, or dinner or something. I was shocked by hearing about supermarkets, that we are witnessing a change in the way in which alcohol is consumed. Maybe this is not true for some parts of Europe, but I think this is something that I can see also is affecting countries where this was not traditionally the case. Young people tend to use alcohol in a way which is not compatible with traditional culture. So I think there is a cultural dimension also that we sometimes underestimate. We need to look at these aspects also to try to make the use of alcohol less cool, particularly with young people. I know it is not only a problem of young people but this is something that we need to do.

Finally I think that, as was pointed out by the representatives of the industry, the appreciation of the democracy principle that you mentioned, and the fact that the good of the people also has a prevalence with respect to certain inappropriate commercial interests, which I think is very important. I also appreciated your acceptance of the regulations, which were also underlined by the previous speaker from the association of the licensed trade. I learned from one of my director generals, Dr Brundtland from Norway, who made a statement once in a meeting I attended: it was related to climate change, and she was mentioning the fact that at the time in which she was prime minister in Norway, she was imposing very stiff regulations to the oil industry because they were starting to extract oil from the North Sea and she didn’t want it. She used to be the Minister for the Environment so she wanted the...
environment to be protected, so she imposed very strict regulations and she faced a tremendous opposition from the industry in Norway. But then the industry in Norway, because of these regulations, became the most advanced industry in oil and was able to face the competition much better than the other industries which were polluting the environment without any rules whatsoever.

I think this type of principle is something that we need to be reminded about. Regulations do not necessarily harm business. They regulate it and probably damage the bad guys, the bad businesses. I would love to convince all the stakeholders in this environment in Brussels about this principle, because anywhere you go and talk about nutrition, talk about anything else, the message coming from the industrial representatives is always, no regulation, maybe self-regulation occasionally but never any regulations, and they fail to understand that this is for their own interest, because the market is changing and they need to show themselves as part of this change in a positive way.

Questions from the floor and discussion

Mariann Skar, Eurocare: How is the support among member states for Scotland coming along? Are they willing to write supportive notices to the court?

Donald Henderson: Member states will all be in the middle of this process. They were written to by the Court of Justice. The papers were circulated at the very beginning of August, just at the point that most countries went on holiday, les grandes vacances. So the big return has just happened in those member states and they are sitting down to look at this issue. We know from past contacts that there are some member states that support us.

First of all, within my own member state, most of the audience will know that the Scottish Government and the UK Government don’t agree on everything. There are some quite big issues that they disagree on but one thing that they do agree on is this case, very strongly and very consistently. For the last three years and more, the UK Government has been with us on this issue, both in terms of delivering the policy, helping them to examine the relevance of Minimum Price to England and Wales. We know that the Prime Minister is a very keen advocate of Minimum Price and that although they are not implementing in England and Wales they have been very clear that it remains a policy option for them. They are also parties to the court case. So it’s been the Scottish Whisky Association and International Wine Federation and others against the Scottish Government and the UK Government. “Shoulder to shoulder” was the way the senior officer in the UK Government described it and that’s remained.

Secondly we know that Ireland has it as a stated government policy too. They don’t have draft legislation yet but they have it as stated government policy to introduce Minimum Pricing and we know that there is significant interest within the other UK administrations, Wales and Northern Ireland. We know that there has been a vibrant debate in Estonia. The last Health Minister was a keen advocate. He’s now the Prime Minister. We have to wait to see how that develops.

So in terms of countries that are directly interested, I think it remains a small number but that actually isn’t the important aspect. The important aspect is that this is potentially a fundamentally important case for public health in the Union, because none of us know the approach that the court will take, but the court could answer the questions delivered by the Scottish courts in a way which controls, which limits what happens for the next generation or more on any public health issue, on any use of Article 36, on any use of price as an instrument to control consumer behaviour. That’s important because many of the illnesses
that we are now addressing are around human behaviour. It’s not about communicable disease anymore, it’s about non-communicable disease, and we know that price is an important issue. So we are hoping that the member states who don’t need to look at Minimum Price as an instrument for their country do look at the broader issues involved and come in and support us in the court.

Paul Laffin, BMA Europe: It’s actually quite disappointing that we didn’t have opposition from the alcohol industry here today against those presentations because quite frankly the arguments used were, to my mind, irrefutable. I really would like to have seen Diageo or InBev on the stand, trying to claim, to justify their opposition to MUP. In terms of what the BMA would like to see, the BMA is a British organisation, Donald’s just touched very well on the views of the Northern Irish, the Welsh and the UK Government as a whole in support for MUP, as does the BMA. My question goes to the whole of the panel, and could possibly be answered at the end of the Q and A session, is, what can the people in this room and the organisations who we represent do between now and October 21st to help the ECJ, to help the member state governments understand the importance of this and essentially to come back to us in 2015 with a positive decision?

Paul Bartlett: We’ve got a lot of very influential people in this room and all of your contacts, all of your Twitter followers or whatever you have, there’s an opportunity to generate some momentum here. I tend to agree, I would have liked to have heard some opposition as well, and maybe some will come out in some of the questions. But, you know, I think we’ve got a very strong argument that a large number of people are now starting to listen to. We just have to use all of our contacts and all of the usual ways that we influence people to push to a successful outcome.

Roberto Bertollini: I think a very important thing is to inform properly the decision-makers and the MEPs, so each of you in any specific organisation, any country or any group of stakeholders of the evidence of the data, because I think many people have a number of misconceptions about it, around this alcohol problem. When you talk about alcohol, most of the time people say to you, well, yes, but a little bit is good, so it’s a usual thing. The data which has been shown here is really very powerful so I think public health NGOs, organisations, individuals also, talking to the policy-makers, the MEPs, informing them of the reality of the situation and the real data, what this actually means in public health, because the perception is really not there. Although people continue smoking, nevertheless there is a wide appreciation of the damage of smoking and then people continue smoking but that’s another story. In alcohol, it’s less strong because of the long-term use of alcohol, because of some different type of information.

Donald Henderson: I would endorse what has just been said. I think there are two phases of communication that are needed. One is short-term and time is running out. This may or may not be possible. But there is this deadline of around October 20th for the Commission and the member states to submit observation to the Court of Justice. There is a great deal of misunderstanding, of lack of appreciation in parts of the Commission and in parts of most member state governments, so anything that people in the audience could do in this very limited timeframe to address those misapprehensions, to correct those misunderstandings, which would have an influence on the observations submitted then that would be a good thing.

There are still people in Southern Europe in the main, largely as a result of industry misinformation, who believe that Scotland, for instance, is doing what we’re doing for trade protectionist reasons. There have even been some brave souls who have seriously suggested that we’re doing this in order to be trade protectionist in favour of English wine. The lack of understanding that that demonstrates of the rich relationships that we have within the United Kingdom is really quite startling. Nevertheless that has been put as a serious argument and it will be believed unless it’s corrected.

We’ve been addressing this in conversations with health ministers around Europe. I think some people misunderstood that because we were proposing this from Scotland or because there was sympathy from Ireland or elsewhere in the United Kingdom that we wanted this to be the policy everywhere in Europe. Not at all. We’ll be perfectly happy if other people conclude that this isn’t the right answer for them but they allow us to conclude that it is the right answer for us. We have it written in to our legislation that if it doesn’t work after five years then the legislation is extinguished. So if anyone wants to use Scotland as an experiment, a laboratory in this, then on this subject we’re actually perfectly happy with that. We’re confident it will work, so anything you can do with your home administration, that is all to the good.

In the medium and long-term with commissioner hearings coming up, with a new parliament just beginning to get working, spreading the message around Minimum Price, around the importance of sensible regulation in the area of alcohol. We need to differentiate between tobacco and alcohol. It’s disappointing to me that one can look some things that the alcohol industry do and believe that they are following the playbook that tobacco developed. That’s disappointing. What we want to do in public health in alcohol is radically different than tobacco. We want no tobacco consumption, ideally, zero. That’s not the position on alcohol. Far from it. The Minimum Price in Scotland of 50p is designed to take six to eight per cent of the consumption out. That’s no more, as Paul Bartlett pointed out, than rolling consumption back to 1994. This isn’t revolution. This is just rebalancing consumption in a way which will maximise the benefits to health and the more that we can get those
messages out, on the basis of European economic growth is not threatened by anything we’re doing, the better.

**Peter Rice:** I’d just like to echo the message that what would be most helpful would be for people to get active in their own member states. We had a round of opinions from member states a couple of years ago on a different part of the process and many of those member state opinions were dominated by trade concerns, and I can understand that. If you were a doctor working in an emergency department in Lisbon, you’re probably not going to jump up and down and get active and busy about writing about something that’s going to happen in Scotland. If you’re a Portuguese wine maker, particularly if you’ve had information that was highly misleading, if you’ve been prompted by your trade association that you need to do this or your UK market will be ruined, then you do get active. So we heard a lot from Portuguese wine makers and nothing from Portuguese doctors and that’s the balance that we need to create, so I think the answer is get active in your own member state and to make sure that the health perspective on this is heard, and if you think this is the sensible thing for Scotland to be doing then encourage your member state to support us.

**Paul Waterson:** A piece of advice, in this debate in Scotland we’re up against some very powerful, well-funded groups, the industry groups that we’ve been up against and along the way I’ve heard arguments and you begin to think that you’re going mad because it’s the opposite, actually, of what the reality is, so you’ve got to dig in with that. You’ve got to be clear, you’ve got to follow your own instinct, so if somebody says to you, “If we cut the price of that, we won’t sell any more”. How does that work? That is just instinct. We know that’s going to happen. Sometimes it can be quite lonely when you’re out there, trying to get the word over, because it’s taken a long time to get here. But one thing I must stress is that we do not want to end up the same as tobacco versus their industry. It will not do us any good at all. We’ve all got to work together on this. This is the way I’ve heard arguments and you begin to think that you’re going mad because it’s the opposite, actually, of what the reality is. We had exactly the same situation when we bought Tennent’s Super, which we sold for £1 to somebody else or a bad decision at that time. But nevertheless, that’s what it is. We had exactly the same situation when we bought Tennent’s Super is currently run by Anheuser-Busch InBev, and just to explain it, four years ago we bought the Tennent’s business off of Anheuser-Busch InBev for 160 million Euros and we asked to include the Tennent’s Super brand in that, for which we attached no value because we planned to close it down. Clearly they wouldn’t give it to us for nothing and they wanted a lot of money for it so we didn’t buy it. We were unprepared to pay significant numbers of millions of pounds for a brand that we felt had no future. So unfortunately we didn’t bring it, so that brand is now still owned by Anheuser-Busch InBev and is a bit of a thorn in our side, to be honest, and you can debate whether that was a good or a bad decision at that time. But nevertheless, that’s what it is. We had exactly the same situation when we bought the Gaymers Cider company. We inherited some white cider brands in that, which we sold for £1 to somebody else just to get rid of them. So we don’t have any strong, cheap products in our portfolio now.

In terms of where we are as a business, we didn’t make a decision on Minimum Unit Pricing dependent or based on economics or modelling or anything like that. It was absolutely based on those principles I talked about. Having said that, I think if the alcohol industry does evolve over
time to be a more premium industry with high quality products, and I think the French wine example that was quoted earlier is a really good example, then that can only be good for the long-term future of the industry. But we haven’t modelled that and it wasn’t what the decision was based on. To some extent that’s what happened in the UK cider market as well, when people moved out of the cheap big plastic bottles of cider into the more premium over ice ciders. So there are precedents where that has happened, but to be absolutely clear, that wasn’t part of our decision process. The process was on a democratic principle and a need to address a problem with something we think will be meaningful in its impact.

Biographies

Chair
Dr Katrín Fjeldsted is President of the Standing Committee of European Doctors (CPME), which aims to promote the highest standards of medical training and medical practice in order to achieve the highest quality of health care for all patients in Europe: http://www.cpme.eu/. She has been a family physician at Efstealeiti Health Centre since 1980. She is a former Chairman of the Icelandic College of Family Physicians and has worked extensively on health policy at national and international levels.

Speakers
Dr. Peter Rice is Chair of SHAAP (Scottish Health Action on Alcohol Problems), an independent medical advocacy organisation set up by the Scottish Medical Royal Colleges, to raise awareness of the nature and extent of harm linked to alcohol use in Scotland, and to campaign for evidence-based measures to reduce this harm: www.shaap.org.uk. Peter is a former Consultant Psychiatrist, NHS Tayside Alcohol Problems Service and Honorary Senior Lecturer, Medical School, University of Dundee.

Professor Nick Sheron is the Royal College of Physicians’ Representative to EU Alcohol and Health Forum. He is Head of Clinical Hepatology at the University of Southampton and runs the liver unit at Southampton General Hospital.

Donald Henderson is Head of Public Health Policy at The Scottish Government. He previously worked as the Head of the Scottish Government’s Brussels Office.

Paul Waterson is Chief Executive of the Scottish Licensed Trade Association, which is the only national organisation which represents all sectors of the Scottish Licensed Trade Industry: http://www.theslta.co.uk/. He has also worked in his family’s licensed trade business for over 40 years.

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Discussant
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Alcohol Minimum Unit Pricing (MUP): 10 Key Facts

1. SHAAP is calling for Public Health advocates to support the Scottish case at the European Court of Justice (ECJ).

Different countries operate different alcohol policies. Although some other countries, including Ireland and Estonia, are considering introducing MUP, Scotland is not suggesting that other EU countries should adopt this policy.

2. Twenty Scots die every week because of alcohol.

In 2011, the alcohol-related death rate in Scotland was almost twice that of 1982. Hospital admissions for alcoholic liver disease have more than quadrupled in the past 30 years and Scotland now has one of the highest cirrhosis mortality rates in Western Europe.

3. MUP saves lives.

MUP policy sets a ‘floor price’ below which alcohol cannot be sold, based on the amount of alcohol contained in the product. In parts of Canada, when minimum price has been consistently and rigorously implemented, it has resulted in a reduction in the amount people drink, with fewer hospital admissions and fewer alcohol-related deaths. MUP enjoys strong support from all health bodies in Scotland, the United Kingdom and Europe.

4. Harmful drinkers benefit most from MUP.

MUP is particularly effective at reducing the amount of alcohol drunk by harmful drinkers as they tend to buy most of the cheap alcohol. Harmful drinkers on low incomes will benefit most in terms of improved health and wellbeing.

5. MUP targets cheap, strong alcohol sold in supermarkets and off-licences.

Drinks like own brand vodka or gin, strong white cider and super strength lager, mostly produced in the United Kingdom, will be affected. It will not affect pubs, clubs and restaurants.

6. MUP works with taxation to regulate alcohol price.

The EU excise duty structure for wine and cider prevents targeting drinks by strength. EU rules are that a 15% wine carries the same excise duty as an 11% wine and a 4% cider the same as a 7.5% cider, whereas MUP allows the price on the shelf to relate directly to the alcohol content.

7. MUP is legal in Scotland but has yet to be implemented.

UK and EU trade laws allow in principle for the setting of a minimum price for the retail sale of alcohol for public health purposes by a government or public authority. The Scottish legislation was passed without opposition in May 2012. The Minimum Unit Price (MUP) was set at 50p per unit. The legislation should have been implemented in April 2013.

8. Global alcohol producers have blocked MUP implementation with legal challenges.

The Scottish legislation was due to come into force in April 2013 but this was delayed by a legal challenge by trade bodies representing international alcohol producers – the Scotch Whisky Association (SWA), the European Spirits Association (Spirits Europe) and Comite European des Enterprises Vins (CEEV).

9. Europe will now decide.

The case has now been referred to the European Court of Justice (ECJ) to ask for its opinion. MUP will not come into force until the legal process is complete.

10. European NGOs can support the Scottish case.

In considering its position, the ECJ will ask for written submissions from EU member states, trade bodies and the Scottish Government, as well as from the European Commission.
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