

## Alcohol taxes: a triple win

**“Of all the threats to human health, it is alcohol which causes the widest range of injury. It shortens life, shrinks the brain, causes failure of the liver, heart and peripheral nerves, contributes to depression, violence, and the breakup of personal and social life, and causes a quarter of all deaths on the road.” - Geoffrey Rose, *The Strategy of Preventive Medicine***

Alcohol is a major cause of illness, injury and death. It contributes to liver disease, heart failure, cancer, HIV transmission, tuberculosis, traffic deaths and gender-based violence. Where alcohol use is rare — for example, below 5% of the population — taxation may not be a top priority. But in countries with significant consumption, alcohol taxes are among the most effective tools to reduce harm and generate revenue.

### What works

- **A 50% price increase from taxation reduces consumption by 25-50%**, particularly among youth and heavy drinkers.
- WHO recommends specific excise taxes based on alcohol content, regularly adjusted for inflation (for example, pure gram of pure alcohol, not as a percentage of the price).
- Excise increases generate increasing revenues, which can be substantial.
- All forms of alcohol are harmful. Taxation of all forms, proportional to the amount of alcohol, maximizes the health benefit.

### Health, revenue and equity

- Alcohol taxes cut deaths from liver disease, road crashes and violence — and reduce HIV transmission.
- Alcohol-related harm produces a measurable decrease in GDP and GDP growth, impeding both health and development.
- **Taxes are progressive:** lower-income drinkers reduce consumption the most and benefit the most.

### What about informal alcohol?

- Most alcohol harm — and most tax revenue — comes from commercial beer, wine and spirits.
- Informal alcohol is a challenge, but it should not block progress.
- Strong enforcement — through licensing, tax stamps and inspections — reduces illicit trade and harms from additional toxins in informal alcohol. Tax stamps are effective if they are secure, independently administered and not influenced by or affiliated in any way with the regulated industry.

### Complementary effective strategies

- Limits on sales hours and outlet density.
- Strong drink-driving laws.
- Bans on marketing, promotion and sponsorship.

## Opportunity

Few countries tax alcohol at levels high enough to reduce harm. **A 50% increase in retail price is a powerful, evidence-based benchmark.** Countries that act now can save lives, reduce suffering and raise revenue for health and development.

## Sources

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