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WHAT HAS HAPPENED SINCE?

A report on alcohol and drug policy developments
in Nordic and Baltic countries

Prepared by Lauri
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Policy Network (NordAN)
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INTRO

Over the years, Nordic Alcohol and Drug Policy Network (NordAN) has been actively involved in various cases in different countries. We have sent numerous letters to the governments, parliaments and leading institutions to draw attention to the principles of evidence-based alcohol and drug policies and support our national member organisations in pushing for better decisions. Sometimes these interventions are just one-time actions. And we move on to other pressing problems.

As we have done a few times before, we are asking again - What has happened since then? Since these letters, interventions? This is a report to our members and partners regarding some of the developments in our region.

There is always something going on. Alcohol and drug policy fields are continuously evolving and changing. Some of these changes are positive which we can support. Others raise concern and require quick interventions.

These are selected cases. Many thanks to our active partners, who provided valuable information. And we welcome your feedback after you have read this short report.

LAURI BEEKMANN,
EXECUTIVE DIRECTOR
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LITHUANIA WITH ONE OF THE BEST POLICIES IN THE EU

In 2018 Lithuania made the most significant alcohol policy change in Europe's recent history. At that time, Lithuania was also the biggest consumer of alcohol, globally. It's been more than two years now. Could we see some results already?

**NIJOLE GOSTAUTAITE
MIDTTUN,**
**PRESIDENT OF THE LITHUANIAN TOBACCO
AND ALCOHOL CONTROL COALITION**

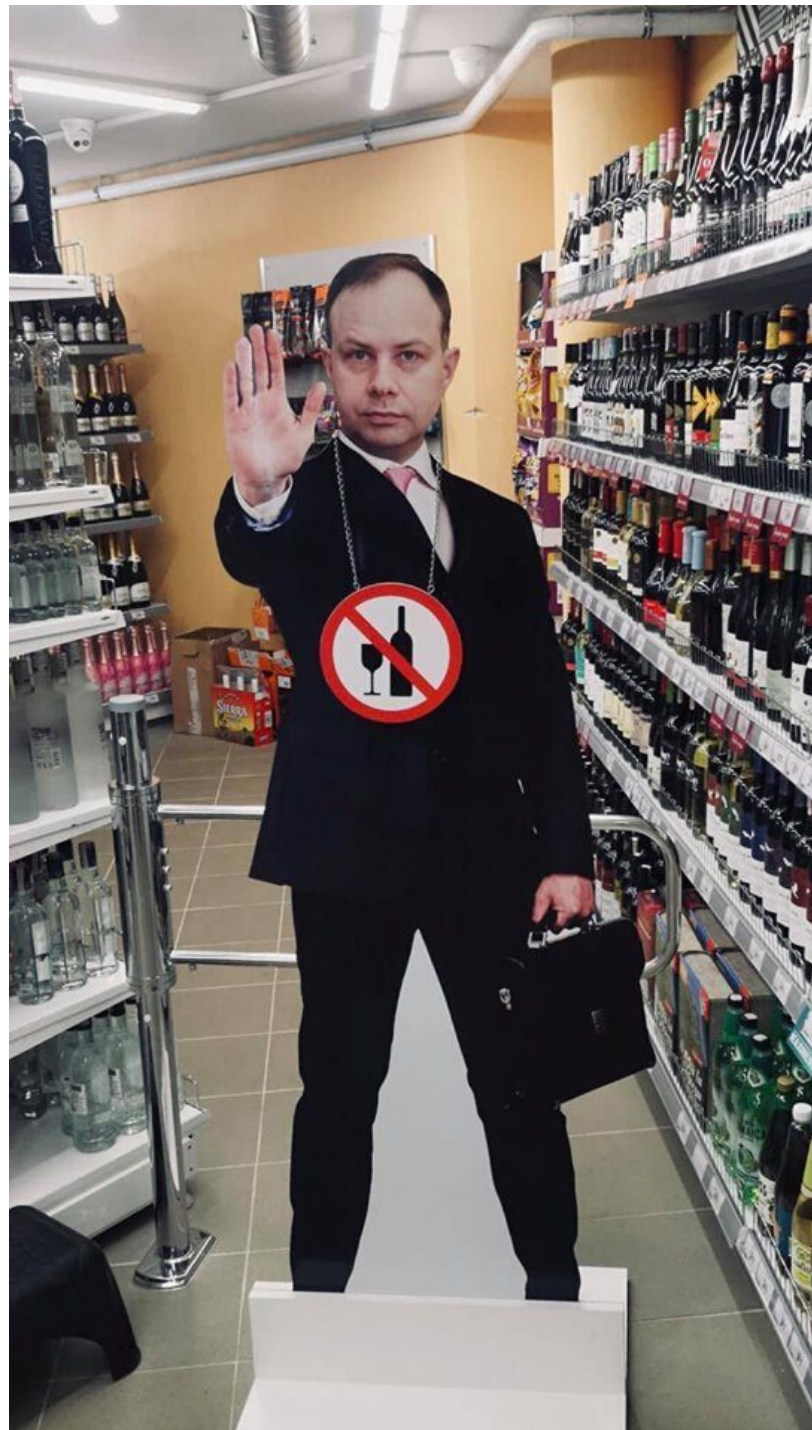


Since 2018 Lithuania has been living with audaciously positive consequences of the evidence based alcohol control policy. The ban on alcohol advertising, setting legal buying age at 20, shorter retail hours and price increases are all delivering on the promise. Lithuania is no longer the country consuming most alcohol, consumption is continuing to go down. In just two years 2016-2018 consumption dropped by 2 liters of pure alcohol per capita. The excise tax revenues have increased and stayed at the higher level during the period of reduced consumption. And of course the best are significant reductions in alcohol related harm – fewer suicides, deadly traffic accidents, drowning deaths, fires and workplace accidents. Mortality and morbidity for disorders directly related to alcohol are going down. We can boast impressive nearly 20 percent drop in registered domestic violence crimes in year 2019. Lithuanian society embraced those changes with an increasing support for policies. Many doomsday scenarios broadcasted by industry seem to have evaporated. The problem with alcohol advertising in foreign magazines so acute in the beginning of 2018, has not been mentioned again. The hordes of thirsty Lithuanians flooding border shops to save 20 eurocents per beer continue to be mentioned as an overwhelming

economical threat, rather than a reality and the wave of unregistered alcohol described in mass-media does not seem to have any impact on the reality and public health indicators. Since last year a ban on sale of drinks for underage imitating alcoholic drinks has been introduced. Hopefully this will help to detox children parties and socialization of the young. Paradoxically, these positive results seem to have a political cost of becoming increasingly unelectable.

A picture of a Health Minister Aurelijus Veryga is used as an information stand to inform about enforcing of a sale time restriction. When it is placed in front of the entrance to the alcohol department everyone knows the sale has ended.

Source: [Diena](#)



FINLAND AFTER ALCOHOL LAW CHANGE

In September 2017, NordAN sent a letter to Finnish MP-s urging them to "to keep their decisions on the safe side of public health and listen to their own alcohol and public health experts who have warned against "planned alcohol policy changes.

As it is well known, Finland decided to liberalise alcohol policies and from March 2018 supermarkets were able to sell alcoholic products up to 5.5 per cent in alcohol strength, up from the earlier limit of 4.7 per cent.

And now?

LAURI BEEKMANN

Already in January of 2018, the Helsinki Sanomat newspaper wrote that the surprising consequence of the Finnish alcohol law is that Swedish young people drive across the border to Tornio for stronger drinks. In Sweden, alcoholic beverages with strength up to 3.5 per cent are in food stores available. Especially in the stores of Tornio, there has been a rise in the sale of long drinks. The increase in beer sale has been around fifth compared to previous periods. In February 2018 sales of beers, ciders and pre-mixed long drinks by Finland's state-owned alcohol retailer Alko dropped significantly in the first month after grocery stores were allowed to sell stronger beverages, compared to a year earlier.

In August 2018 it was reported that the Police responded to over 12,000 more callouts between January and July than they did in previous years, according to the National Police Board. The administrators are drawing a straight line between the increase in reported disturbances and new alcohol law reforms which took effect from 1 March this year.

New figures in January 2019 from Alko show that sales by volume declined by 8.5 per cent and – when converted into pure alcohol – by 5.4 per cent last year, compared to 2017.

The overall sale of alcohol in Finland has been in decline since 2011, but in 2018 that figure went up slightly, the National Supervisory Authority for Welfare and Health (Valvira) reported in February 2019. That minor adjustment, raising the alcohol limit on alcoholic drinks sold in supermarkets to 5.5 per cent brought a sales uptick for the first time in six years, even though the growth was just 0.6 per cent from 2017. In terms of 100 per cent pure alcohol, the total per capita consumption - of people over the age of 15 - in 2018 was 10.4 litres.

Researchers have said that it is too early to tell what the exact results of the law change are. "Even three years may sometimes be too short a time for an

assessment: the sales of ciders and long drinks started in grocery shops in 1995, and at the time consumer behaviour did not change until five years after the law had come into effect. We modelled the changes now due to high demand for a short-term, intermediate assessment of changes," explained Pia Mäkelä, a research professor at THL in May 2019.

In December 2019 the Statistics of Finland announced that mortality from alcohol-related causes made a slight upturn in 2018 compared to 2017. In 2018, altogether 1,683 persons died from alcohol-related diseases and alcohol poisonings. Of them, 1,269 were men and 414 women. The number increased by 125 from the year before.

Police: 12,000 more callouts

Alko: sales drop by 8.5 per cent

Per capita: 0.6 per cent increase in 2018

Alcohol-related deaths: additional 125 deaths in 2018 compared to 2017

OIL FUNDS IN NORWAY AND SWEDEN

In April 2019 NordAN sent a letter of concern to Norway Ministry of Finance and the members of the Parliaments Standing Committee on Finance and Economic Affairs regarding the Norway Government's Oil Fund. Media revealed that the Fund had invested close to 1.4 billion NOK in five companies with significant activities related to marijuana production. [NordAN letter](#).

Two later NordAN sent another letter to the Minister for Financial Markets, Mr Per Bolund and to the president of the AP7 Fund, Mrs Rose Mari Westman concerning the Swedish State fund AP7 which invested in two Canadian cannabis companies. [NordAN letter](#).

And now?

LAURI BEEKMANN

At the end of May 2019, The Norwegian Oil Fund announced that they would no longer invest in companies that are directly involved in cannabis. "We have already decided not to invest in companies with direct exposure to cannabis," Communications Manager of Norges Bank Investment Management (NBIM), Thomas Sevang, told Norwegian media.

KLP, Norway's largest pension fund, [said](#) that it would no longer invest in gambling companies and alcohol makers, and recently sold stocks and bonds in such firms worth about \$320 million.

Explaining its decision, KLP [said](#) it did not want to make money from products that can harm people who are vulnerable to addictions, adding that there are better ways in which pension savings can make a sustainable contribution to society.

Among the excluded companies were casino group Wynn Resorts, online gambling firm Betsson, spirits and beer maker Diageo and brewers such as Carlsberg and Heineken.

In June 2019, also AP7 [announced](#) that they had blacklisted cannabis companies. "We have a process where we go through our portfolio twice a year where we try to identify companies in our portfolio that have acted in violation of international conventions signed by Sweden, says Johan Florén, Head of Communications and Corporate Governance at the AP7 Fund.

But only companies that provide so-called "recreational cannabis" are blacklisted.

"We do make a difference between recreational use and medical use of cannabis," [said](#) Johan Florén.

NORDIC COUNCIL OF MINISTERS PUBLIC HEALTH ARENA

NordAN has worked over the years with Nordic Council and Nordic Council of Ministers to keep alcohol as a joint topic for pan-Nordic cooperation. After Nordic Council's initiative started in 2012 through a welfare committee's proposal "Nordic alcohol and tobacco policies in a public health perspective", we have tried to keep the discussion open. It finally resulted in a formation of an NCM's Public Health Arena which is run by the Nordic Welfare Centre (NVC). NordAN board met with Helena Lohmann from the NVC in May 2019 discussing the situation of the Arena and different projects that are part of the Arena. As a result of that meeting, NordAN board formulated a set of proposals for the NVC to consider.

HELENA LOHMANN, SENIOR ADVISER ON PUBLIC HEALTH AT THE NORDIC WELFARE CENTRE

The NCM's public health arena has a prolonged mandate for 2020 and will meet again the 10:th of March. Hopefully we will get a long term mandate in the end of this year that will last 3 - 5 years.

All the projects that I talked about when we meet are now finished and all the reports (some of them are in English) can be found at the [NVC website](#).

Last month NVC was hosting an event on cannabis in Helsinki, together with NKK. The background was that there has been citizen call for a new, more liberal, policy on cannabis in Finland. Public health experts gave their view on the issue and we had experts from Norway talking about their work on decriminalization of drugs. It was a good event, with good discussions and I think that this topic is going to have a high relevance in the Nordics in the near future.

NVC has worked with a project on FAS and we will launch a report from this project in March focusing on alcohol consumption during pregnancy, screening and the services who provides help. The report will also shortly highlights use of tobacco and other substances during pregnancy. Read more [here](#).



SWEDEN'S FARM-SALES CONSULTATION

In February 2019 Kalle Dramstad, IOGT-NTO's European Policy Officer in Brussels, wrote on NordAN website about the new state investigation that Sweden planned regarding farm sales. Dramstad wrote back then: "Despite the clear conclusions of the two state investigations, the topic has now returned to the top of the alcohol policy debate. In January 2019 the new government, as part of the centre-left/liberal cooperation agreement, decided to start preparations for a third state investigation into farm sales. So far, there is little evidence to make anyone expect that its conclusions would be different to those of the two previous investigations. Nonetheless, it implies a strong risks the issue will continue to dominate the alcohol policy agenda."

KALLE DRAMSTAD, **IOGT-NTO'S EUROPEAN POLICY OFFICER IN BRUSSELS**

Very little has happened in Sweden alcohol policy-wise. Nether good nor bad. The proposal to ban alcohol advertising online hasn't moved. The third investigation into farm sales hasn't been started yet. The proposal on restricting distance selling of alcohol is still stuck where it was a year ago. A small change, as mentioned already in the article, is that alcoholic ice cream and other non-liquid alcohol products now fall under the normal alcohol legislation (and can only be sold in the monopoly).

The big change has taken place in the party positions as the main centre-right party Moderaterna now wants to scrap the alcohol monopoly. The change was primarily driven by the youth wing at the party congress, and it came as quite a surprise to many inside and outside of the party.



DISTANCE SALES IN FINLAND

In October 2018 NordAN sent a statement to the European Commission on the bill proposed by the Finnish government to amend the Alcohol Act (2018/0324/FIN). NordAN supported Finland's proposed amendment to the alcohol law to safeguard further that the health of its citizens are protected, and that specific economic interests wouldn't undermine the purpose of that law.

The proposed amendments clarified the role of retail monopoly in cross-border distance sales, as well as the position of the licensing regulations. In other words, this is a clarification of existing regulations.

NINA KARLSSON,
HEAD OF DEVELOPMENT AT THE EHYT
FINNISH ASSOCIATION FOR SUBSTANCE
ABUSE PREVENTION



The legal status of distance sales of alcohol was brought up several times in Finnish parliament during the process of passing the new Alcohol Act (1102/2017).

Distance sales of alcohol is not explicitly prohibited by law. On request from the parliament, the Ministry of

Social Affairs and Health prepared a bill aiming at clarifying the situation. The new legislation would have allowed consumers to purchase alcohol directly from a distance seller provided that transportation of the products remain the responsibility of the consumer. Distance sales of alcohol that includes delivery of the purchased products was to be prohibited.

In its response to the Finnish government's notification concerning the distance sales of alcoholic beverages, the EU-commission stated the proposed prohibition is in conflict with article 34 on the free movement of goods by discriminating against imported alcoholic beverages. The commission wanted Finland to consider whether products sold online could be picked up in specific locations, such as grocery stores. Such pick-up locations would however be in conflict with the Finnish alcohol retail licensing law.

The government withdrew the bill in December 2018 and no changes were made to the existing law concerning distance sales of alcohol. The new government programme adopted in 2019 contains no mention of distance sales of alcohol. It remains to be seen whether the current law will be tried in court.

TAXATION WAR BETWEEN ESTONIA AND LATVIA

On May 30, 2019, NordAN sent an open letter to the ministers and party leaders of Finland, Estonia and Latvia, as well as to the media in the region urging governments to cooperate on alcohol policy. The Estonian Government had decided to decrease alcohol excise duties by 25%, and the Latvian Finance Minister Jānis Reirs responded by considering possible tax cuts in Latvia as well, to "maintain competitiveness at a regional level". That put Finland's Government also under pressure to react accordingly. NordAN urged the governments to meet, bringing both health and tax expertise to the table to discuss a coordinated response to the issues.

A few weeks later NordAN sent a letter of concern to the Saeima (Latvian Parliament) members as they decided to move on with a plan to reduce alcohol taxes to counteract the decision earlier made by Estonia to lower beer and spirits taxes by 25% from July 1.

And now?

LAURI BEEKMANN

On June 13, 2019, the Estonian Riigikogu voted 70-9 in favour of a bill that lowered the alcohol excise duty rates for beer, cider and hard liquor by 25 per cent beginning July 1. On July 8, the Latvian Saeima passed amendments to Latvia's excise tax law in response to Estonia's decision. A 15 per cent lower excise duty rate on strong liquor entered into effect in Latvia on August 1. The amount of alcohol excise duty <https://news.err.ee/992163/august-alcohol-tax-inflows-up-13-5-percent-on-year> paid in August was up 13.5 per cent on the year. 17.9 per cent more beer and 87.7 per cent strong liquor was declared on year. The increase in the declared amount of strong liquor can be attributed to several factors, including the retail sale of alcohol in stores increasing due to decreased prices and changes in cross-border trade. Finance Minister Martin Helme from the Conservative People's Party believed that the collection of alcohol excise duty increased by 53.1 per cent in July due to the reduction in alcohol excise duty. Finance Minister Martin Helme said these numbers prove what he said in August: "Our excise duty on alcohol works exactly as we wanted and predicted. Border trade in the south is increasingly shrinking and should reach a normal level by next year. Finnish tourism has been booming for two months in a row, breaking a clear downward trend so far and bringing

money not only to alcohol producers but also to hotels, restaurants, shopping centres, museums, etc."

In January 2020 one of the border shops, the Goalco Ainazi store announced that they would become a building materials store because it is more profitable. According to the company, the decline in excise duty changed the attitudes of the Estonian public and the widely held misconception that alcohol prices in Estonia and Latvia have essentially equalized.

Whether the changes in cross-border trade affect the levels of consumption remains to be seen as the consumption data for 2019 will be published in May/June of 2020.

Even though Latvia decided to lower spirits taxes by 15% in August of 2019, they confirmed then that the already adopted increase for March 2020 would stay unchanged. From March 1 2020, excise tax would increase for wine, brewed beverages (over 6%) and intermediate products (up to 15%) per 100 litres – excise tax would increase from EUR 101 to EUR 111, for intermediate products (over 15% and up to 22%) per 100 litres – from EUR 168 to EUR 185, whereas for spirit and other alcoholic beverages per 100 litres of absolute spirit the excise tax would increase from EUR 1 564 to EUR 2 025. The excise tax for beer would increase from EUR 7.4 to EUR 8.1 per 100 litres.

In January 2020 lawmakers from Latvia's New Conservative Party (JKP) and the Who Owns The State (KPV LV) party, which are both part of the country's incumbent coalition government, initiated talks with their political partners to mitigate the planned excise tax hike on alcohol. According to the national tax agency admitted that if the new excise tax rate for alcohol comes to force March 1, it will increase the price of strong alcohol by three euros, creating a risk of increasing activity for the illegal market. After the meeting in January 6 the head of the sub-committee Iveta Benhena-Bēkena told journalists that there is a possibility of slowing excise tax climb in March, adding that her political party would be ready to offer the coalition something to talk about.

July 1, 2019 Postimees

newspaper:

Latvian bottle: I humbly declare that the excise duty has been lowered and the troops are ready to return to the Latvian border.

Estonian bottle: "Stand easy!

And if Latvians will lower their alcohol excise duty more, we will announce a general mobilization."



CALL FOR ACTION - WHO

NordAN Conference in 2018 in Stockholm, Sweden focused on the Nordic and Baltic alcohol policy model. As we were getting close to 2020 when WHO Europe's alcohol action plans time was supposed to run out, we aimed to add our voice and experience to push for new and stronger future steps in alcohol policy.

In September 2019, before the 69th session of the WHO Regional Committee for Europe, NordAN sent a Call for Action to relevant ministers and ministerial and elected officials of Nordic and Baltic countries. NordAN called on all Member States to collaborate in keeping alcohol among the priority themes.

And now?

LAURI BEEKMANN

European Alcohol Policy Alliance (Eurocare), together with a list of partners presented a statement at the WHO Europe's 69th session: "There is a need for clarity on the most important interventions and implementations strategies to reduce alcohol-related harm. WHO, as the primary norm-setting health agency, should lead this initiative. It might be timely to consider a Framework convention on alcohol."

In her address to the session, the WHO Regional Director for Europe dr Hans Kluge stated also that "not all is good news and challenges remain. Regrettably, as the Director-General said, tobacco use and alcohol consumption in the Region are declining too slowly, and the prevalence of overweight and obesity is rising rapidly. Unfortunately, the targets in those areas are unlikely to be achieved and making further progress is a top priority for the Region in the years ahead."

Alcohol wasn't raised as a separate topic, though, and no decisions were made. According to a source from one of the Member States, "there has been a couple of consultations with the Member States. The Member States are requesting an update of the European Action Plan or a road map, and there was good progress." The matter should, therefore, be on the agenda of the Regional meeting in September 2020.

At the WHO global level, the future alcohol policy was discussed at the Executive Board EB146 meeting in February 2020. On February 7 the Executive Board adopted a resolution on Accelerating action to reduce the harmful use of alcohol. DG has been requested to create an action plan for 2022-2030 to implement a Global Strategy to Reduce the Harmful Use of Alcohol which will be presented at EB150.

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