Alcohol (Minimum Pricing) (Scotland) Bill

Pricing mechanism

Wine and Spirit Trade Association

We welcome the opportunity to comment on the proposals discussed during the oral evidence to the Health & Sport Committee on the Alcohol (Minimum Pricing) (Scotland) Bill about the mechanisms that could be used to change the minimum unit price should the Bill be passed.

Our response to this paper should not be viewed as implicit support for minimum unit pricing. We continue to remain opposed to the policy on the grounds that there is no evidence to support its effectiveness and that it will prove to be illegal under EU law.

Implementation

As with all legislation we would urge the Scottish Government to allow a suitable time period between implementation and review, to ensure that the impact on consumer behaviour can be properly assessed. Allowing a period of at least 2 years from implementation will ensure that a meaningful analysis of the changes can be made and will also allow for a better understanding of any compensating behaviour by consumers.

Parameters for evaluation

Clear parameters of success must be set out before any decision can be reached on the review mechanism for the minimum unit price. It will be important that the evaluation considers better the impact of the policy on consumption and its impact on levels of alcohol harm. It is difficult to assess the effectiveness of a policy if the criteria against which its success will be measured are not clearly set out. For instance, will success be measured against the outcomes predicted to be achieved by the most recent version of the Sheffield Modelling or will new targets be set against which the relative success of minimum unit pricing will be measured?

The evaluation should also consider the policy’s impact on moderate consumers, low income groups, illicit trade and cross-border trade and on different types of business (retailers, producers, online etc). In order to demonstrate proportionality under EU law the policy will have to take into account its impact on a range of factors.

The UK government has announced that it will be reviewing the methods used to measure alcohol related hospital admissions. The Scottish Government should ensure that any evaluation acknowledges the impact that the changes to the methodology could have on the perceived impact of the policy. For instance, if a change to the methodology at UK level leads to a reduction in the number of hospital admissions captured by the data the evaluation should recognise this as a methodological change and not a reduction as a result of the policy.

Index-linked mechanism

We do not support an index-linked mechanism for reviewing the price. As outlined above any review should take into account a wide range of factors and an index-linked mechanism would not consider the impact the policy is
having on reducing levels of alcohol harm. Index-linking the price mechanism would cause significant problems with contracts negotiated between retailers and manufacturers and would make budgeting, planning and pricing exceptionally difficult for retailers who could have thousands of products to deal with.

**Re-run the Sheffield modelling**

Of the two options outlined in the paper we would favour a review at 2 year intervals based upon a methodological study to evaluate the effectiveness of the policy. This would provide a greater degree of stability for businesses operating in Scotland and could take into account a wider range of factors as outlined above.

The review mechanism for minimum unit pricing requires considerable attention and detailed consideration. We would therefore urge the Scottish Government to hold a full consultation prior to reaching any decision to ensure that views from all interested parties are taken into account.

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