

Response ID ANON-Z6PT-8JQ9-Z

Submitted to Alcohol: Minimum Unit Pricing (MUP): Continuation and Future Pricing: Consultation
Submitted on 2023-11-17 12:25:03

Ministerial Foreword

Questions

1 Do you think Minimum Unit Pricing (MUP) should continue?

No

2 If MUP continues, do you agree with the proposed Minimum Unit Price of 65 pence?

No

3 We invite comments on the Scottish Ministers' proposal to continue MUP, and the proposed Minimum Unit Price of 65 pence.

Comment below:

MINIMUM UNIT PRICING (MUP)

Summary

- The Wine & Spirit Trade Association's (WSTA) position is that MUP is ineffective and unfair. The experience in Scotland since 2018 confirms this. We argue that the five-year sunset clause should see MUP disappear.
- Whilst any alcohol-related death is tragic, the WSTA does not believe that Minimum Unit Pricing is an effective or proportionate measure to tackle alcohol related harm, and that targeted measures have significantly greater impact without penalising the vast majority who do drink responsibly within the Chief Medical Officer guidelines. Any role for MUP is as part of a suite of measures.

Evidence

- Because MUP had not been tried anywhere in the world (Canada's policy is similar, but the market is dominated by state-run suppliers and the price calculated differently), no evidence was available – and the Scottish Government relied on modelling. The Sheffield model has not proven to be an accurate predictor of real-world behaviours. Even Sheffield itself has concluded that the model has failed to reflect real life.
- Unlike targeted measures, which are demonstrably more effective, there is little evidence that MUP has beneficial health impacts. Despite attempts to describe MUP as being "exquisitely targeted", it is a population-wide measure and so impacts all consumers in Scotland. The same Sheffield report concludes:

There was no significant change in the proportion of drinkers consuming at harmful levels or moderate levels after the introduction of MUP.

- Trends around consumer behaviour have not changed significantly since MUP's introduction. While there are claims that the proportion of 'hazardous drinkers' has declined, this is not a group MUP aimed to affect.
- Economist Christopher Snowden discusses a number of MUP evaluations here, summarising that:

minimum pricing was associated with a small decline in overall alcohol consumption, amounting to less than one unit per drinker per week, but that this was not driven by heavy drinkers cutting down. On the contrary, the heaviest drinking men drank more under minimum pricing.

- He also tackles the claims by Public Health Scotland that MUP has reduced deaths directly caused by alcohol consumption by 13.4 per cent and hospital admissions by 4.1 per cent:

In short, the claim that minimum pricing "worked" rests almost exclusively on a single study which is an outlier in many respects, which cannot come close to proving causation, and whose findings are highly dependent on the assumptions of its authors.

- The majority drink responsibly and trends are going in the right direction in some areas. There is evidence to show that there are positive changes to people's attitudes to alcohol and how people moderate their drinking. A study commissioned by the Portman Group noted that around a third of adults who drink in Scotland semi-regularly drink alcohol alternatives and that over a fifth drink less alcohol as a result of trying low and no alcohol alternatives.
- Economic impacts: there was significant impact in year 1, with evidence of a shift from cheaper spirits, a decline in volumes compared to England & Wales, a shift to smaller formats (in spirits, to 70cl from 1l), severe impacts on cider volumes and some reports of customers shopping in England.
- There is no evidence of any continuing adverse economic impact on the sector as a whole. MUP has largely become business as usual in Scotland. Some products have been reformulated and repackaged.

• There is no general evidence of extra profit accruing to retailers, wholesalers, importers or producers, although turnover, pricing and cost data is hard to analyse and there may be some examples of extra profit being generated.

Arguments against continuing MUP (and increasing its price)

• Raising MUP to would have a significant impact - as it did in year 1 (2018). The higher MUP goes (from 50p to 65p), the worse this economic impact will be. During a cost of living crisis, consumers – but also businesses - are already struggling with escalating costs. Given the lack of any beneficial health impacts from MUP – especially on the original target group, the heaviest drinkers - such costs seem wholly disproportionate.

• While it might be politically attractive for the Scottish Government to claim that “it would work if only the MUP were higher”, it’s false logic. That argument starts from the premise that MUP is an effective measure. If MUP were to have a positive impact, then that would have been apparent by now. The evidence for raising MUP is less convincing than the flawed modelling used to justify its introduction in the first place.

• Some future alcohol-related deaths and hospital admissions have already been determined by current behaviour. Raising the MUP now or in the near future will not prevent those outcomes. Targeted responses remain the best proven response to harmful and hazardous drinking.

Other issues

• Feedback from some retailers suggests that the Scottish Government-branded posters were successful in reducing abuse addressed at store staff. If MUP is to be continued and increased, then we would like to see that campaign replicated.

• We would want to separate the two elements of continuation and increase. If MUP continues it has to be from 01 May. Traders do not want ppu being increased at the same time. They have already started planning pricing for next summer, and there will be some products that will sell at 50ppu but not at 65ppu. Traders therefore need time to review their Scottish ranges to identify these lines so that they can give notice to cease or reduce orders (under GSCOP the major retailers have to give ‘reasonable notice’ to suppliers). Traders also need the opportunity to clear existing stock from store and depot – and it will be harder this time round because they cannot reduce price to below 50ppu to incentivise sales. If the Scottish Government do not give traders a reasonable period of time – say 9 months from any different ppu being passed by Scottish Parliament – it will leave retailers (and manufacturers/distributors) having spent money on stock that will no longer sell.

• We would also ask Scottish Government to look at the interaction of MUP and linear pricing rules. The current MUP law says that any fraction above a whole penny must be rounded up to the next whole penny. Linear pricing rules from the Alcohol etc Act also say that a multipack cannot be sold for any less than the multiple of the single unit (where sold). So if there is a product that a trader sold in both single cans and a 4pk, MUP for the single can might be 100.2p and MUP for the 4pk 400.8p. The rounding up means that the trader would have to charge 101p for the single can, but linear pricing means that they would have to sell the 4pk for $4 \times 101p = 404p$, rather than the 401p the MUP calculation alone demands. Traders will want to work out whether an odd number like 65p is more likely to create these anomalies than an even one like 50p. Alternatively the rounding up rule could be revised or removed, so that any figure less than half a penny may be rounded down instead.

• Whatever the outcome of this consultation, if MUP continues then there will be future demands to increase the ppu. In order to give certainty to industry, we would ask the Scottish Government to commit to consulting on any future increases. The Scottish Government might also consider establishing a timetable for regular reviews.

About you

What is your name?

Name:

David Richardson

Are you responding as an individual or an organisation?

Organisation

What is your organisation?

Organisation:

WSTA

If you are responding on behalf of an organisation, please tell us the type of organisation for which you are providing a response.

Alcohol Industry Representative body

If other, please share the type of organisation in the box provided:

Further information about your organisation's response

Please add any additional context:

Please see the response to q3. This was drafted following consultation with members.

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

Publish response with name

Do you consent to Scottish Government contacting you again in relation to this consultation exercise?

Yes

What is your email address?

Email:

david@wsta.co.uk

I confirm that I have read the privacy policy and consent to the data I provide being used as set out in the policy.

I consent

Evaluation

Please help us improve our consultations by answering the questions below. (Responses to the evaluation will not be published.)

Matrix 1 - How satisfied were you with this consultation?:

Slightly satisfied

Please enter comments here.:

Matrix 1 - How would you rate your satisfaction with using this platform (Citizen Space) to respond to this consultation?:

Slightly satisfied

Please enter comments here.: