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Press Release

Changing of national alcohol policies according to Ministry of Finance’s wishes is an undemocratic action

The changes made to alcohol policies under the present government are as follows:

- In 2017, a tax relief was given to beer companies citing the floods as the reasoning. This move resulted in a loss of tax revenue for the government.
- At the end of 2017, excise tax cuts were implemented on beer, resulting in a loss of Rs.76.40 per bottle of beer. Accordingly, the total loss for the government from total beer bottles sold in 2018 was Rs. 22,920,000 (Rs. 23 Million).
- The tax increase on beer through the 2019 budget was not adequate, resulting in a loss of revenue for the government. The beer companies were benefitted through this move and have increased their profits.
- In the recent budget, even though taxes were increased for several types of alcohol, tax was not increased for arrack. Due to this move the alcohol companies gained an extra profit of about Rs. 500 million, in March alone. This Rs. 500 million could have been gained as tax revenue for the government.

Apart from the above decisions, on the 2nd of October 2019, the Ministry informed an increase in the limit for liquor in possession from 7.5 litres to 80 litres (Approximately an increase from 10 bottles to 80 bottles).

When considering the above facts it is clear these decisions were not taken due to a public request or to resolve any major problem within the country. Further, as all the above decisions were beneficial to the alcohol industry, these decisions significantly harmed the economy of the country (The health cost alone due to alcohol was about Rs. 120 Billion in 2015).

In Sri Lanka, alcohol use prevalence among males above 18 years old is 35%, which means the majority live free from alcohol (abstain). Our country does not have an alcohol culture either. In this context, it is unavoidable that decisions such as the above will encourage more alcohol use among Sri Lankans and create an alcohol culture within the country, which would be making alcohol industry expectations a reality.

According to data from the World Health Organization (WHO) and the Ministry of Health, Sri Lanka, every 8 out of 10 deaths in Sri Lanka are categorized as avoidable death. Under major risk factors for these deaths tobacco use and alcohol use takes the 1st and 2nd places, respectively. Approximately 40 to 50 deaths, per day, occur due to alcohol use within the country. It is disappointing that the Ministry of Finance does not consult with experts who possess scientific knowledge on alcohol such as the World Health Organization (WHO) or the National Authority on Tobacco and Alcohol (NATA) when
taking decisions about alcohol which causes serious repercussions for public health and economy of the country.

Therefore, the Alcohol and Drug Information Centre (ADIC) – Sri Lanka, strongly calls for the Hon. President, Religious Leaders, all Parliament Ministers, Experts, Professionals and all responsible parties to take action against the formulation of these undemocratic and arbitrary decisions which are only beneficial to the alcohol industry and harms public health and the economy of Sri Lanka.

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