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ADIC Press Release for World Alcohol Free Day on October 3rd

Government Bears Annual Health and Economic Costs of 237 billion Rupees Due to Alcohol-Related Illnesses

World Alcohol Free Day is marked on October 3rd. Being a challenge of global significance, alcohol use is responsible for nearly 3 million preventable deaths worldwide. Furthermore, Non-Communicable Diseases (NCDs) account for 8 out of 10 preventable deaths across the world, and alcohol use lies among the four leading causes which contribute to NCDs.

As a country, we confront numerous economic, health, and social issues stemming from alcohol, tobacco and other drug use. In Sri Lanka, approximately 50 preventable deaths occur each day due to alcohol consumption, resulting in between 15,000 and 20,000 preventable deaths annually. It is evident that alcohol does not contribute positively to a country's economy. Although the government's revenue from alcohol taxes in 2022 amounted to 165 billion rupees, a study by the United Nations Development Fund (source: Investment Case for Alcohol Control in Sri Lanka 2022 - UNDP) revealed that the health and economic costs associated with alcohol use in our country totaled to 237 billion rupees within the same year. This demonstrates that the health and economic costs of alcohol significantly outweigh the revenue generated from excise taxes.

The National Authority on Tobacco and Alcohol (NATA) Act No. 27 of 2006 prohibits alcohol and tobacco advertisements in our country. However, in violation of this law, the alcohol industry continues to promote alcohol in an unethical and illegal manner, targeting the entire population, including children and youth, the future of our nation. Alcohol companies target children and youth as a key demographic to encourage initiation and attract new consumers, aiming to compensate for the loss of their customer base due to preventable deaths and a decline in alcohol consumption in the country.

Reducing alcohol consumption among the population will benefit the entire country. Lowering alcohol use leads to decreased health costs, healthier communities, and increased happiness and harmony within families. According to the World Health Organization (WHO), alcohol taxation and pricing policies are among the most scientifically proven effective and cost-effective measures for controlling alcohol consumption. In simpler terms, increasing excise duties result in reduced alcohol consumption and increased government revenue. Analysis of excise reports from previous years indicates that the country's excise revenue has risen due to a 34% increase in the excise duty on alcohol over the past year. In 2022, the excise revenue was 165.2 billion rupees, while in 2023, it has increased to 181.10 billion rupees. Therefore, it is possible to reduce alcohol consumption by implementing indexation for alcohol products, thereby increasing government revenue while also decreasing the health and economic costs associated with alcohol use. This also serves as a tangible step toward reducing the initiation of alcohol use.

At a time when a new government has assumed office with plans to introduce initiatives for the country's advancement, the Alcohol and Drug Information Centre (ADIC) underscores the pressing need to promptly implement the following proposals aimed at addressing the alcohol problem in the country.

Suggestions and recommendations to control the alcohol problem

- 1. Implement a scientific tax formula that increases excise duties on alcohol each year, aligned with inflation and economic growth.**
- 2. Develop a systematic tax collection system to recover taxes already owed to the government by alcohol companies, and to prevent such situations in the future.**
- 3. Enforce existing laws and policies to reduce alcohol use and promotion, and expedite the adoption of proposed amendments to the National Authority on Tobacco and Alcohol (NATA) Act.**
- 4. Cease the issuance of temporary liquor licenses and stop granting liquor licenses under the pretext of the tourism industry.**
- 5. Implement the National Policy on Alcohol Control, which was approved by the Cabinet in 2016.**
- 6. Enhance law enforcement to control illegal alcohol, and strengthen the institutions responsible for these efforts.**
- 7. Implement a national prevention program aimed at children and youth to discourage the use of alcohol, with the goal of preventing initiations among these vulnerable groups.**
- 8. Prepare and implement counseling, treatment, and other support services to assist individuals struggling with alcohol use issues.**
- 9. Prevent interventions by the alcohol industries that aim to weaken existing policies and block the introduction of new ones.**

The Alcohol and Drug Information Center (ADIC) anticipates that the new government will develop a proper program to implement the above proposals and actively intervene to address the alcohol-related issues in our country on this World Alcohol Free Day.

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