Worldwide Brewing Alliance views on the second Draft discussion paper on the Updated Appendix 3 of the WHO Global NCD action plan 2013-2030
August 2022

1. Introduction.

The Worldwide Brewing Alliance ("WBA") welcomes this opportunity to share its views on the WHO's second Draft discussion paper on the Updated Appendix 3 of the Global NCD Action Plan (the "Second Draft").

The WBA is an association of national and regional brewing trade associations and brewers whose members represent the production of over 80% of the world's supply of beer. WBA members around the globe are committed to doing their part to promote the achievement of the sustainable development goals, developing innovative solutions to increase efficient use of resources while reducing carbon footprints, and taking on challenges across the 17 SDGs wherever possible throughout their operations and far-reaching value chains.

As part of this commitment, WBA members are working to promote the achievement of the SDG and NCD targets and indicators related to the harmful use of alcohol.[1] The new no- and lower-alcohol strength beer brands they bring to market help to do just that by giving consumers more ways to reduce their consumption of alcohol even as they continue to participate in social drinking occasions. Beer has the lowest alcohol content among the beverage alcohol categories, and has already been shown to play a role in shifting drinking cultures toward lower-strength products, to the benefit of public health.[2] [3] In recent years, brewers have innovated ways to reduce the naturally low alcohol content of beer, creating lower- and no-alcohol products that are resonating with consumers. The increasing popularity of no- and lower alcohol-strength beer is believed to signal a growing trend toward moderation in key global markets, and is expected to continue.[4]

As we discuss in section 3 below, it is precisely this work to bring lower alcohol-strength products to market that was asked of alcohol producers in the WHO's recently-endorsed "Action plan (2022-

[1] The NCD target for alcohol is " At least 10% relative reduction in the harmful use of alcohol, as appropriate, within the national context." The indicators are as follows:

– Total (recorded and unrecorded) alcohol per capita (aged 15+ years old) consumption within a calendar year in litres of pure alcohol, as appropriate, within the national context
– Age-standardized prevalence of heavy episodic drinking among adolescents and adults, as appropriate, within the national context
– Alcohol-related morbidity and mortality among adolescents and adults, as appropriate, within the national context

The first three alcohol-related interventions recommended in Appendix 3 are:

(1) Increase excise taxes on alcoholic beverages
(2) Enact and enforce bans or comprehensive restrictions on exposure to alcohol advertising (across multiple types of media)
(3) Enact and enforce restrictions on the physical availability of legislation retailed alcohol (via reduced hours of sale)

[2] Kueng, Lorenz, and Evgeny Yakovlev. "The Long-Run Effects of a Public Policy on Alcohol Tastes and Mortality." *American Economic Journal: Economic Policy* 13.1 (2021): 294-328.

[3] World Health Organization. "Alcohol policy impact case study: the effects of alcohol control measures on mortality and life expectancy in the Russian Federation." (2019), at p. 11.

[4] IWSR Drinks Market Analysis, "No- and Low-Alcohol Products Gain Share Within Total Beverage Alcohol: No/Low Alcohol Consumption Projected to Increase +31% by 2024," Press Release, February 2021.

2030) to effectively implement the Global strategy to reduce the harmful use of alcohol as a public health priority (the "GAAP").[5]

2. Purpose of revising Appendix 3.

The Second Draft lists the reasons why WHO is undertaking an update of Appendix 3, which include:

– To consider new WHO recommendations or new evidence of cost-effectiveness;

– To accelerate progress toward meeting the SDG and NCD targets (among others); and

– To revise existing interventions based on lessons learned[6]

This submission proposes that new WHO recommendations, recent evidence, and WHO cost-effectiveness analyses justify including a new statement in Appendix 3 regarding the interventions to reduce harmful use of alcohol, such as the following:

> "Interventions relating to excise taxes, marketing, and availability of alcohol are commonly implemented in a way that considers beverage type in addition to alcohol strength, nudging consumers toward lower-strength products"

Such a statement would supplement the existing interventions with important information that could help accelerate progress to achieve the SDG and NCD targets and indicators for harmful use of alcohol. It would also be consistent with new WHO recommendations and evidence of cost-effectiveness.

3. Appendix 3 should reflect new WHO recommendations.

The Second Draft should, but does not, reflect new WHO recommendations regarding proven ways of increasing the effectiveness of interventions relating to excise taxes, marketing, and availability of alcohol.

(a) In the Global strategy to reduce the harmful use of alcohol. Some new recommendations echo the Global strategy to reduce the harmful use of alcohol (the "Global Strategy"). Implementation of the Global Strategy is one of the Appendix 3 "overarching/ enabling actions" to reduce harmful use of alcohol. Newer WHO recommendations are consistent with Annex II of the Global Strategy, which states that a "harm reduction approach can be supported by stronger promotion of products with a lower alcohol concentration."[7]

(b) In the SAFER Technical Package. Similarly to the Global Strategy's call for "stronger promotion of products with a lower alcohol concentration," the WHO's SAFER Technical Package recommends making lower-strength products more attractive to consumers in order to divert consumption from illicit markets:

> "The existence of a substantial illicit or informal market for alcohol can also complicate policy considerations for alcohol taxes. In such circumstances, tax increases should be accompanied by

[5] World Health Organization, *WHO action plan to effectively implement the Global strategy to reduce the harmful use of alcohol as a public health priority*; 2022 May 28 Decision No: WHA75(11); see EB150/7 Add.1 for the approved text of the action plan.

[6] Paraphrased from World Health Organization, "WHO Discussion Paper (version dated 1 August 2022): Draft Updated Appendix 3 of the WHO Global NCD action plan 2013-2030," at p. 5.

[7] World Health Organization, *Global strategy to reduce the harmful use of alcohol*. World Health Organization, 2010, at Annex II, "Evidence for the effectiveness and cost-effectiveness of interventions to reduce harmful use of alcohol," para. 9.

> government efforts to control illicit or informal markets through, for instance, tax policies that make low-alcohol and nonalcoholic variations of culturally preferred beverages more attractive."[8]

The SAFER recommendation to make "culturally preferred beverages more attractive" is an example of using policy options to enable stronger promotion of lower-strength products.

(c) By the WHO Regional Office for Europe. Another recent recommendation is contained in WHO EURO's "update report on the evidence and recommended policy actions" regarding alcohol pricing, which in turn relates to the Appendix 3 intervention regarding excise taxes. Specifically, WHO EURO advises that the most effective approach from a public health perspective is a specific system of taxation, which can be most effective if it has higher rates for high-strength beverage types:

> "Such a system may be most effective at improving health if it has higher rates of taxation for stronger products for two reasons: first, drinkers can consume a greater volume of alcohol more quickly through stronger products, and such products may therefore be more closely associated with heavy episodic drinking and intoxication; and second, production and distribution costs may be lower, at least in some cases, for stronger products, meaning that the same volume of alcohol can be sold more cheaply in higher ABV products even at the same rate of specific duty."[9]

Thus WHO EURO recommends implementing an excise tax regime in which excise tax rates are based on beverage type (lower rates for lower-strength beverage types) in addition to alcohol strength (lower rates for lower-strength products within beverage categories). The effect of such a system is that it nudges consumers toward lower-strength products. This recommendation reflects the evidence discussed in section 4 below, which shows that for some specific kinds of public health outcomes, the beverage type consumed (at the population level) matters just as much as the amount of alcohol consumed (at the population level).[10] In short, this is another example of a recommendation to use policy measures to enable "stronger promotion of products with a lower alcohol concentration."

(d) In Member States' legislation. As the WBA pointed out in its comments on the WHO's first Draft discussion paper on the Updated Appendix 3, "[r]egulatory environments that encourage production and consumption of lower alcohol-strength beer are an extension of a widespread, centuries-old best practice to reduce and prevent alcohol-related harm, which is to adjust measures that affect excise tax rates and/or availability and marketing of beverage alcohol in ways that nudge consumers toward lower alcohol-strength products." Many countries have long implemented interventions relating to excise tax rates, marketing, and availability of alcohol in ways that enable stronger promotion of lower-strength products.[11]

A recent EU Council Directive demonstrates that this established approach is being further developed in major markets' legislation. The European Union updated its alcohol Structures

---

[8] World Health Organization, *The SAFER technical package: five areas of intervention at national and subnational levels*. Geneva: World Health Organization; 2019.

[9] WHO Regional Office for Europe (2020), "Alcohol Pricing in the WHO European Region: Update report on the evidence and recommended policy actions," at p. 21

[10] Kueng, Lorenz, and Evgeny Yakovlev. "The Long-Run Effects of a Public Policy on Alcohol Tastes and Mortality." American Economic Journal: Economic Policy 13.1 (2021): 294-328.

[11] As WBA stated in its submission of June 2022:

> "This has been the practice in the UK for centuries, in Denmark for over 100 years, and in the U.S. since the end of Prohibition. It is the practice in every Member State of the EU and in each of its candidate countries but for one, and it is the practice in all EFTA Members. In fact, it is the practice in almost every OECD country, nearly half of which also use progressive excise taxation within beer, encouraging production and consumption of even lower alcohol strength products."

Directive in 2020, the same year the WHO published its Alcohol Pricing report.[12] Specifically, it widened the strength band for beer that benefits from reduced excise rates, in order to incentivize the production and consumption of lower-strength products. The Council of the EU Press release stated:

> "This change provides incentives for consumers to choose low-strength alcoholic drinks over stronger ones, thereby reducing alcohol intake. It also encourages brewers to be innovative and create new products of lower alcoholic strength."[13]

Thus the new WHO recommendations referenced herein are already integrated in Member States' legislation, and governments continue to develop the practice further.

(e) In the Action plan (2022-2030) to effectively implement the Global strategy to reduce the harmful use of alcohol as a public health priority (the "GAAP"). Another new WHO recommendation is in the recently-endorsed GAAP:

> "Economic operators are invited to substitute, whenever possible, higher-alcohol products with no-alcohol and lower-alcohol products in their overall product portfolios, with the goal of decreasing the overall levels of alcohol consumption in populations and consumer groups" [14]

This recommendation that economic operators should produce lower-strength products is also a recognition of the role lower alcohol-strength products can play in reducing harmful use of alcohol.

The GAAP recommends that economic operators adjust their supply of products – which, as recognized by the WHO, the Council of the EU, and many Member States, is made possible by enabling regulatory structures. For example, prominent epidemiology expert Professor Jürgen Rehm and colleagues identify differentiated excise taxation as facilitating a shift toward lower-strength products:

> "[A]n important regulatory strategy for alcohol seems to be to decrease the potency within beverage classes which can be achieved by progressively taxing ethanol concentration, thereby creating incentives for manufacturers to reduce the average ethanol concentration of all beverages…."[15]

Professor Rehm and colleagues give examples to point out that many governments base excise tax rates as well as measures that affect alcohol marketing and availability on beverage type in addition to alcohol strength. They find that evidence supports this practice.[16]

In sum, the Global Strategy, the SAFER Technical Package, recent WHO advice, Member States' legislation, and the GAAP make recommendations that, taken together, show that alcohol interventions relating to excise taxes, marketing, and availability of alcohol should consider beverage type in addition to alcohol strength in ways that nudge consumers toward lower-strength products. These recommendations and evidence were published after the 2017 update, and should be reflected in the 2023 update of Appendix 3.

---

[12] Council Directive (EU) 2020/1151 of 29 July 2020 amending Directive 92/83/EEC on the harmonization of the structures of excise duties on alcohol and alcoholic beverages

[13] Council of the EU Press Release, 24 June 2020, "Excise duty: provisional agreement on modernised taxation rules for alcohol."

[14] World Health Organization, *WHO action plan to effectively implement the Global strategy to reduce the harmful use of alcohol as a public health priority*; 2022 May 28 Decision No: WHA75(11); see EB150/7 Add.1 for the approved text of the action plan.

[15] Rehm, Jürgen, et al. "Regulatory policies for alcohol, other psychoactive substances and addictive behaviours: the role of level of use and potency. A systematic review." *International journal of environmental research and public health* 16.19 (2019): 3749, at p. 4.

[16] Rehm et al., *supra* note 15, at pp. 4, 8, and 10.

4. Appendix 3 should reflect current evidence, which shows that nudging consumers toward lower alcohol-strength products can improve public health.

The bulk of burden of disease research on alcohol has been based on the assumption that a given amount of alcohol consumed by a population will have the same burden of disease regardless of the type of beverage consumed.[17] Professor Rehm and colleagues find that this assumption has been disproved in the evidence base, as many studies have identified specific kinds of alcohol-related harm which are far less associated at the population level with lower alcohol-strength beverages.[18]

Additional peer-reviewed evidence shows that the differences in the impact on public health are readily apparent in the data:

> "In those European countries where the consumption of alcohol is high and it is consumed as distilled spirits we observe the highest adult male mortality, much higher than in those countries where the same amounts of alcohol are consumed as wine or beer."[19]

Based on the lesser impact of lower-strength products on certain public health outcomes, Professor Rehm and other burden of disease experts suggest that regulating alcohol in ways that "encourage people to opt for beverages with lower alcohol content has the potential to reduce alcohol-related harm."[20]

History shows that regulating alcohol in ways that nudge consumers toward lower alcohol-strength products has led populations to shift consumption to lower-strength beverages, as consumers substituted high-strength beverages with relatively more accessible lower-strength products. In Denmark, for example:

> "During World War I, a very high tax on spirits was imposed, while beer taxes were raised much less. The result was that Denmark switched from a spirits-drinking to a beer-drinking culture more or less overnight: spirits dropped from 75% of alcohol consumption to 12%"[21]

According to the WHO, population shifts in consumption "to lighter alcoholic beverages" in Eastern European and Nordic countries "led to favourable outcomes in alcohol-attributable harm."[22]

Governments across the globe have long implemented alcohol control policies in ways that steer consumers toward lower alcohol-strength products.[23] Recent peer-reviewed evidence reinforces this approach as an effective way to reduce and prevent alcohol-related harm at the population level.

---

[17] Rehm, Jürgen, and Omer SM Hasan. "Is burden of disease differentially linked to spirits? A systematic scoping review and implications for alcohol policy." *Alcohol 82* (2020): 1-10.

[18] *See,* Rehm & Hasan, *supra* note 17. We emphasize that differences relate only to some, and not all, kinds of harm at the population level.

[19] Korotayev, A., Khaltourina, D., Meshcherina, K., & Zamiatnina, E. (2018). Distilled spirits overconsumption as the most important factor of excessive adult male mortality in Europe. *Alcohol and Alcoholism*, *53*(6), 742-752.

[20] Rehm & Hasan, *supra* note 17, at p. 1.

[21] Room, Robin, and Christoffer Tigerstedt. "Nordic alcohol policies and the welfare state." (2006), published in Lundborg, Olle, Yngwe, Monica Åberg, et al. (2008), *The Nordic Experience: Welfare States and Public Health (NEWS)*. Stockholm: Centre for Health Equity Studies (CHESS), Stockholm University & Karolinska Institute.

[22] World Health Organization. "Alcohol policy impact case study: the effects of alcohol control measures on mortality and life expectancy in the Russian Federation." (2019), at p. 11.

[23] See section 4(d) above, and footnote 11 for a discussion of the widespread and longstanding practice described in the WBA's comments on the first draft Discussion document on Appendix 3.

5. Global comparative risk assessments do not yet reflect the different public health impact of different beverage types, which in turn affects the WHO cost-effectiveness analyses of interventions to reduce harmful use of alcohol.

Professor Rehm and burden of disease experts have suggested that the major global risk assessments like the Global Burden of Disease ("GBD") should be revised to reflect the specific differences in the public health impact associated with different beverage types.[24]

This has not happened yet. This means that the GBD data shows that all beverage types have an equal impact on public health, even as the evidence establishes that lower-alcohol strength products like beer are far less associated with some kinds of harmful public health outcomes.

WHO's CHOICE methodology was used to determine the cost-effectiveness of the Appendix 3 interventions relating to excise taxes, marketing, and availability of alcohol. This involves measuring the expected public health impact of the interventions and comparing the benefits against the cost of implementation.

The most recent WHO CHOICE analysis of the Appendix 3 interventions to reduce harmful use of alcohol was conducted in 2018 using GBD data.[25] This means there was an underlying assumption that the burden of disease impact would be identical for all beverage types for a given amount of alcohol consumption at the population level. As we have shown, this is contrary to the evidence base.[26]

Another issue with the 2018 analysis is that it did not take into consideration the differences in the policy environments of the countries analyzed. The authors analyzed data from "16 large countries spanning low-, middle-, and high-income settings across the world." They did not consider whether those countries designed their alcohol policy measures in ways that steered consumers toward lower alcohol-strength products like beer, which could influence the drinking culture. As it turns out, most of them did.

The public health impact of the first alcohol-related intervention in Appendix 3, "increasing excise taxes," relies on current excise tax rates as the baseline. In the 2018 CHOICE analysis, 10 of the 16 countries sampled – over 62% of them – taxed beer significantly lower than spirits.[27] This is important, since the evidence shows that policies that shift consumption toward lower-strength beverages can have a long-term influence on the drinking culture, with beneficial effects on public health outcomes.[28]

The lower tax rate for lower-strength products, along with other unrecognized but differentiated measures, would have improved public health outcomes in the analysis in ways that were not

---

[24] "Finally, comparative risk assessments such as the Global Burden of Disease (GBD Risk Factors Collaborators et al., 2018) or the WHO Global Status Report (World Health Organization, 2018) should consider modeling the impact of alcohol on injury based on beverage type." Rehm & Hasan, *supra* note 17, at p. 8.

[25] Chisholm, Dan, et al. "Are the "best buys" for alcohol control still valid? An update on the comparative cost-effectiveness of alcohol control strategies at the global level." *Journal of studies on alcohol and drugs* 79.4 (2018): 514-522, at p. 2

[26] Rehm & Hasan, *supra* note 17.

[27] Chisholm, et al., *supra* note 25, Web Appendix 3, "Distribution of, taxation of, and price elasticities for alcoholic beverages, for the countries included in the analysis."

[28] Kueng, Lorenz, and Evgeny Yakovlev. "The Long-Run Effects of a Public Policy on Alcohol Tastes and Mortality." *American Economic Journal: Economic Policy* 13.1 (2021): 294-328.

reflected in the conclusions. The authors conclude that increasing excise taxes is both effective and efficient.

While the 2018 analysis is put forward to show that alcohol control measures formerly referred to as "best buys" are still valid, it actually validates the cost-effectiveness of policies which are implemented in ways that steer consumers toward lower-strength products, as this implementation approach was in operation in the background of the analysis.

Interventions that affect excise taxes, marketing, and availability of alcohol have a low implementation cost, as they are all legislative matters.[29] The input costs do not change where, for example, excise tax rates are lower for lower-strength beverage types in addition to being lower for lower-strength options within beverage categories.

We can therefore say that implementing interventions relating to excise taxes, marketing, and availability of alcohol with an approach that considers beverage type in addition to alcohol strength in ways that nudge consumers toward lower-strength products can increase the positive public health impact without increasing input costs. In other words, it makes them more cost effective.

6. Conclusion.

WBA suggests that the Updated Appendix 3 could be brought into alignment with WHO recommendations, Member States' practice, the GAAP, and recent evidence, by adding a statement like the following to the alcohol section in the Updated Appendix 3:

> "Interventions relating to excise taxes, marketing, and availability of alcohol are commonly implemented in a way that considers beverage type in addition to alcohol strength, nudging consumers toward lower-strength products"

Such a statement would go a long way in helping Member States to effectively implement the GAAP and promote achievement of the NCD and SDG targets in reducing harmful use of alcohol.

[29] Bertram, Melanie Y., et al. "Cost-effectiveness of population level and individual level interventions to combat non-communicable disease in Eastern Sub-Saharan Africa and South East Asia: a WHO-CHOICE analysis." *International Journal of Health Policy and Management* 10.Special Issue on WHO-CHOICE Update (2021): 724-733.