

# STATES OF JERSEY

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## AN ALCOHOL STRATEGY FOR JERSEY (P.110/2003): AMENDMENT

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Lodged au Greffe on 6th July 2004  
by Deputy G.W.J. de Faye of St. Helier

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STATES GREFFE

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*In paragraph (b) for the word, “should” substitute the word “may”, and after the words “Finance and Economics Committee” add the words “and the Economic Development Committee, having regard to –*

- (i) the economic interests of the island, with particular reference to any local brewing or distilling businesses;
- (ii) the impact on the Island’s hospitality industry;
- (iii) the impact upon consumers of alcohol within the Island as a whole; and
- (iv) concerns for public health;”.

DEPUTY G.W.J. DE FAYE OF ST. HELIER

## REPORT

The attempt by the Health and Social Services Committee to reduce the per capita consumption of alcohol within the Island by simply raising the price of alcoholic drinks is not a strategy that will have any significant impact on the minority of the local population that suffer either directly or indirectly from the well documented problems associated with alcoholism. It is a blanket approach that fails completely to target those with the greatest problem.

Instead, a determination to steadily price alcohol out of the consumer market will unfairly penalise the thousand of local drinkers who take a responsible approach to drinking. As the Health and Social Services Committee's own report succinctly states: For the majority of people who drink alcohol, it is a pleasant adjunct to a wide range of recreational activities. The examples are extensive, ranging from the working man buying a pint at the pub after a day's work to a couple or family group enjoying a bottle of wine with a restaurant meal, an outdoor picnic or a domestic dinner. There are simply no serious grounds for introducing a health based policy that will hit these alcohol consumer groups financially.

Furthermore, as the cost of purchasing standard alcohol consumables in the Island escalates, especially in respect to prices in neighbouring jurisdictions such as France and the United Kingdom, there is an inevitable impact on the local hospitality industry. Whilst it may not be considered acceptable in public health terms, many tourists consider that good value wining and dining constitutes an important, if not critical, feature of any holiday break. For many years, the price of a pint or a bottle of wine was significantly below the equivalent U.K. price. Currently, local prices can be compared with those in U.K. capital cities, where the U.K. prices are at their highest levels. This type of comparison is already proving extremely damaging to the Island's hospitality and leisure industries. Indeed, if any indicator of the problem of trans-border pricing differentials is required, one merely has to consider the substantial numbers of local consumers who travel to France with the express intention of purchasing alcohol at lower prices.

The Health and Social Services Committee claims that its so called strategy: Tackles alcohol on a whole population basis (it is not the intention to penalise specific sub-groups within the community). However, it is obvious that two very significant sub-groups – the Tourism and Hospitality industries – are both significantly compromised, together with the vast majority of Jersey's responsible social drinkers.

Finally, a policy that continues to raise the duties levied on alcohol over and above the level of inflation, on an annual basis, largely on public health grounds, fails to recognise the value of revenues generated from that consumer product. It is the very substantial revenues raised by taxing alcohol and, similarly, tobacco that underwrite the cost of building hospitals and providing healthcare in general. To pursue relentless price hikes courts the application of the economic law of diminishing returns, such that the more expensive a bottles of wine becomes, the less inclined consumers are to buy wine, which leads to wine sales falling off and tax revenues reducing. There is reasonable anecdotal evidence that the Island is at or near this point already with respect to the price of alcohol.

The amendment recognises that there should be a concern for public health issues in the fixing of duties on alcohol but emphasises that the primary consideration should be the economic interests of the Island and the consumer interests of the population as a whole.

There are no financial or manpower implications anticipated to arise from this amendment.