

General Excise Duties
(Tobacco and Alcohol Products)

1. The purpose of this paper is to outline the situation in relation to excise duty rates imposed on tobacco and alcohol products. Issues pertaining to VRT are being dealt with separately.

Receipts from Excise Duties

2. Receipts from excise duties on tobacco (all categories) and alcohol products totalled €2,241m in 2008. The table below shows the full 2008 figure by category and the breakdown for the first 9 months of 2009 compared to the same period in 2008.

	2008 total yield €m	2009 receipts to end-Sept €m	€m +/- over same period in 2008	2009 projected receipts €m
Tobacco	1,171	701	+10.5	1,178
Alcohol	1,069.9	696.9	-51.2	950

Changes in Excise Rates in Recent Years

3. There was a 25 cent (inclusive of VAT) increase in tobacco excises in the Supplementary Budget of April 2009. The previous increases were in Budget 2009 (October 2008), when an increase in excise duty of 50 cent was implemented and 30 cent in Budget 2008.

4. The excise duty on beer has remained unchanged since the Budget of January 1994 (apart from the introduction in October 2008 of a new 50% lower rate of excise for beers and cider of alcohol strength by volume of less than 2.8%). Duty on cider was increased on 6 December 2001 and that on spirits was increased in December 2002. Duty on wine was increased in October 2008 by 50 cent per standard 75cl bottle.

Cross-Border Price and Differentials across Products

5. Traditionally, excise products have been subject to some cross-border competition. The Revenue Commissioners carry out a regular cross-border comparison of prices for excisable commodities in some of the major outlets in both Dublin and Newry. The table in Annex 1 illustrates key comparisons of prices of certain items, from the most recent survey conducted on 14 October 2009. All prices quoted for items sold in both the State and in Northern Ireland are expressed in euro. The prices quoted are those which would be charged to a resident of the State. From that viewpoint, all alcohols are cheaper in Northern Ireland. Cigarettes are also almost 25% cheaper there.

Commission on Taxation

6. The Commission on Taxation recommended that the policy approach to determining the level of excise duty applicable to alcohol and tobacco products should take account of factors such as health outcome, public order issues, cross-border trade and other societal issues.

1. Tobacco

7. The current excise duty on cigarettes is €183.42 per 1,000, together with an amount equal to 18.25% per cent of the retail price. For example, in the case of a packet of 20 Benson and Hedges cigarettes, the excise content is €5.21, which equates to around 61.7% of the retail price. When one takes account of VAT, total tax as a percentage of price is 79.4%.

8. Excise increases were imposed on cigarettes, (with pro rata increases on other tobacco products) over the past number of years, as follows:

Year	Amount of Duty Increase per pack of 20	Change in Consumption over previous year	(Cigarettes only) Yield €m
1999	6 cent	+6.9%	831
2000	63 cent	-0.3%	924
2001	4 cent (compensating increase)	-1.1%	1,102
2002	13 cent	+3.6%	1,099.5
2003	50 cent	-10.3%	1,119.5
2004	25 cent	-15.3%	1,024.6
2005	No increase	+3.4%	1,053.6
2006	No increase	+1.6%	1,071.4
2007	50 cent	-3.6%	1,155
2008	30 cent	-8.5%	1,131.5
2009	50 cent	-	
2009 (Supp)	25 cent	-15.5%	1,178 (estimated)

9. Cigarettes represent approximately 97%, by value, of tobacco consumption. Roll-Your-Own tobacco sales have increased by almost 50% in the past 12 months (August to August), but still comprise a small proportion of total tobacco sales.

Illegal Importations

10. The current price of 20 cigarettes in the Most Popular Price Category (MPPC) is €8.45. Ireland has the highest tobacco tax content on, and price for, cigarettes in the EU, being considerably higher than the next country, the UK (at €6.35 – see Annex 2 for details).

11. While the above data indicate a significant overall drop in cigarette consumption, it has to be borne in mind that they relate only to cigarettes on which Irish duty has been paid. There is both anecdotal and survey evidence to suggest that non-Irish-duty-paid (NIDP) cigarettes constitute a significant proportion of total cigarette consumption here XXXXXX. This element of cigarette consumption is made up of cigarettes brought into the country legitimately (as duty free, from a third country, or duty paid, from another EU Member State) or illegitimately (by smuggling). Explanations for this high level of market penetration by NIDP cigarettes would include increased travel abroad by Irish people, cross-border shopping and the arrival over recent years of immigrants from countries with much lower cigarette prices. It is clear, however, that the incidence of smuggling has increased, as illustrated by the rapid growth in the level of cigarette seizures by Revenue. This is almost certainly attributable to the high cigarette prices in this country.

12. The total amount of cigarettes seized during 2008 was 135.2 million. This represented a significant increase over 2006 and 2007, when the seizures amounted to 52.3m and 74.5m respectively. Seizures to date in 2009 amount to around 200m following recent large seizure.

13. The high level of seizures over recent years reflects ongoing enforcement action by Revenue aimed at all key points in the supply chain. It is also a clear indication, however, of the significant intensification of both small-scale and bulk smuggling activity. Moreover, the nature of the seized product is changing; the interception of counterfeit product bearing forged Irish tax stamps is a clear indication that it is worthwhile for smugglers to produce specifically for the Irish market, notwithstanding its comparatively small size. The Revenue Commissioners recently introduced a new more secure excise stamp.

Minimum Pricing Issues

14. The Advocate-General's Opinion on the case against Ireland in respect of the minimum pricing system for cigarettes operated here (under Department of Health and Children legislation) issued on 22 October 2009. If the ECJ follows the Advocate General's Opinion and rules against Ireland, France and Austria (the Court agrees with the Opinion in around 80% of cases), there may be taxation implications; and the possible use of further taxation as an alternative means of ensuring that cigarettes are not sold at low promotional prices may need to be considered.

EU Context – Negotiations on Tobacco Directive

15. Historically, Ireland applied a wholly specific tax on a tobacco leaf weight basis. However, EU law required Ireland to convert our raw materials duty to a finished product duty. Opting for the highest specific element possible under EU law (which is currently 55% of total tax) was seen as the least disruptive option. The supplementary Budget of April 2009 resulted in a specific tax element of 54.99% of total tax, which following a trade increase of 10 cent, has decreased to 54.7%. (A table showing Ireland's high specific and low ad valorem elements in comparison with other Member States is reproduced in Annex 3).

16. The current proposal for a new Council Directive amending Directives 92/79/EEC, 92/80/EEC and 95/59/EC on tobacco tax includes a provision allowing Member States greater flexibility to apply specific duties on cigarettes, by widening the band from 5% - 55% to 7.5% - 77.5% of the total tax burden.

17. The question of modifying the structure of Irish cigarette taxation should await developments in relation to the Commission's proposals. A number of outstanding points at issue for some Member States in relation to the proposal are still being pursued by the Swedish Presidency. As a result, it is not clear when the new Directive is likely to be adopted.

Possible Excise Increases

18. The estimated full year yield and the CPI effect of a range of duty increases on cigarettes (with pro rata increases on other tobacco products) is as follows:

Increase (Inc. VAT)	Full Year Yield €m	CPI Effect %		Increase (Inc. VAT)	Full Year Yield €m	CPI Effect %
10c	16.7	0.045		50c	82.0	0.223
20c	33.2	0.089		75c	121.7	0.334
25c	41.4	0.111		€1.00	160.5	0.446
30c	49.6	0.134		€1.50	235.7	0.669
40c	65.8	0.178		€2.00	307.4	0.892

19. In conclusion, it should be noted that the incentive for individuals to purchase cigarettes (and indeed alcohol) duty-paid when abroad is high and could be expected to increase in the event of future excise increases. In addition, the Office of the Revenue Commissioners and

tobacco manufacturers both report an increase in the incidence of non-Irish duty paid product appearing within the State, at least some of which has arrived here a result of smuggling. With cigarette prices in some eastern EU Member States as low as less than €2 for a pack of 20, the balance between the potential to achieve health benefits associated with an increase in excise duty and any potential exacerbation of ongoing smuggling problems is a factor to be considered.

2. Alcohol Products

Excise Receipts

20. Excise receipts from the various alcohol beverages since the last general increase in rates in January 1994, are shown below.

	1994 €m	2008 €m	2009 Estimated €m	Increase (1994/2009) €m	% Increase
Beer	395.7	427.2	366.6	-29.1	-7.4%
Cider /Perry	12.2	60.6	48.1	35.9	294.3%
Spirits	162.5	350.9	298.3	135.8	83.6%
Wine	58.8	231.3	236.7	177.9	302.6%
Total	629.2	1069.9	949.7	320.5	50.9%

21. The yield has **increased for all categories except beer**, most notably for cider/perry and wine. Although still the highest contributor to overall alcohol receipts, beer receipts are lower than in 1994. This fall in yield is mirrored by a fall in consumption. When the CPI increase of 49.9% over the period 1994-mid 2009 is taken into account, the increase in receipts from alcohol products tax from 1994-2009 is approximately 0.7% in real terms. This compares with around 27% for total excise, 130% for VAT and 74% for all taxes over the same period.

22. The relative taxation of alcoholic drinks in Ireland on the basis of representative products is as follows:

	Alcoholic Strength %	Excise per litre per degree of alcohol	Excise by reference to an alcohol product
Low-strength wine-based beverages (alcopops)	4.0	€0.2734	30 cent per 27.5cl bottle
Cider	4.5	€0.185	47 cent per pint
Beer	4.2	€0.1987	47 cent per pint
Low-strength spirit-based beverages (alcopops)	5.0	€0.3925	54 cent per 27.5cl bottle
Wine (Still)*	12.5	€0.2625	€2.46 per 75cl bottle
Spirits	40	€0.3925	€10.99 per 70cl bottle of whiskey
Wine (Sparkling)	12	€0.5468	€4.92 per 75cl bottle

*The excise rate of duty for still wine is €3.28 per litre, for wine in the range of 5.5° – 15° alcoholic content. This means that the stronger the wine, the less is the relative taxation. The same applies to sparkling wine in that,

where the alcoholic content is greater than 5.5%, the rate of taxation (at double that of still wine i.e. €6.56 per litre) per degree of alcohol decreases as alcoholic strength increases.

Consumption

23. In broad terms, for 2009 the situation is as set out below. In all cases a substantial fall-off in consumption is expected this year.

Beer: Annual growth between 2000 and 2007 was marginally negative. There was a drop of 5.2% in 2008, and clearances for 2009 are expected to decrease by a further 15%.

Cider: Following an 87% Budget rate increase, clearances fell by 11% in 2002, but there was modest growth between 2004 and 2006. Clearances fell by 11% in 2008 and are expected to fall by a further 20% this year.

Spirits: Consumption fell by over 20% in 2003 following a 42% Budget rate increase (in December 2002), but grew between 2004 and 2007. Clearances fell by 7.4% in 2008 and are expected to fall by 11.5% this year.

Spirit Based Alcopops: Clearances declined by nearly 39% over the following two years after a 98% rate increase in the December 2002 Budget. There was a temporary return to positive growth in 2005 with a rise of 36% but since then has declined 15% in 2006, 19% in 2007 and 15% in 2008 and further decrease of 17% is expected in 2009.

Wine: Wine is the only product for which there has been sustained consistent growth in consumption 1994 – 2007. Double digit annual growth was the norm between 1995 and 2004 but slowed after that. Clearances fell by 3.2% in 2008 and are expected to fall by 10% this year.

24. Data on consumption is set out in the following table:

Year	BEER Yearly Growth Rate	CIDER Yearly Growth Rate	SPIRITS Yearly Growth Rate	WINE Yearly Growth Rate
2000	-0.8%	15.7%	12.5%	10.5%
2001	0.4%	10.9%	3.5%	12.4%
2002	-0.5%	-11.3%	5.2%	12.8%
2003	-2.5%	1.1%	-20.1%	8.1%
2004	-0.9%	2.0%	2.8%	14.3%
2005	0.3%	4.5%	2.4%	4.0%
2006	-0.3%	3.7%	5.0%	7.2%
2007	-0.6%	-0.9%	7.2%	7.2%
2008	-5.2%	-11.0%	-7.4%	-3.2%
2009 (est)	-15%	-20%	-11.5%	-10%

Retail Price Movements – Evolution of “Real Values”

25. Because of successive price increases by the trade, and the specific rather than ad valorem nature of the duties, and despite the 50cent increase on wine in 2008, the value of excise duty rates on beer and wine (when measured as a percentage of retail prices) has fallen significantly since 1994:

Beer / Wine	Excise (€)	Excise %, of Price 94	Excise %, of Price Mid 09
(a) Bar			
Pint Stout	0.47	20.2%	11.4%
Pint Lager	0.47	18.2%	10.4%
(b) Off-Licence			
Btl Lager (33cl) @ 4.3% ABV	0.28	23.7%	16.9%
Btl Table Wine	2.46	30.5%	25.5%

26. Following significant increases to the cider and spirit rates at end of 2001 and 2002 respectively, the excise content relative to 1994 has increased in the case of cider and is fairly close to parity in the case of spirits purchased in an off-licence.

Spirits / Cider	Excise (€) 94	As %, of Price 94	Excise (€) Mid 09	As % of Price Mid 09
(a) Bar				
Pint Cider	0.25	9.5%	0.47	10.1%
Whiskey (standard measure)	0.39	20.5%	0.56	14.8%
(b) Off-Licence				
Can Cider (50cl)	0.22	17.5%	0.42	18.7%
Btl Whiskey	7.76	46.6%	10.99	43.2%

Relative Taxation of Products

27. The table below shows the comparative tax content of the various types of alcohol beverages in Ireland as measured by the amount charged per degree of alcohol in the product (taking typical products within each category).

Per litre per 1% alcohol

Still Wine	Beer	Spirits	Cider	Spirit Alcopop	Wine Alcopop	Sparkling Wine	Sherry/Port
@ 12.5%	@ 4.2%	@ 40%	@ 4.5%	@ 5%	@ 4%	@ 12%	@ 18%
€0.2625	€0.1987	€0.3925	€0.185	€0.3925	€0.2734	€0.5468	€0.2645

Viewed in these terms, the tax burden on spirits and spirit alcopops is twice that on beer, and the most heavily taxed product is sparkling wine.

By reference to Alcohol Product

Still Wine	Beer	Spirits	Cider	Spirit Alcopop	Wine Alcopop	Sparkling Wine	Sherry/Port
75 cl Bottle	Pint	70 cl Bottle	Pint	27.5 cl Bottle	27.5 cl Bottle	75 cl Bottle	75 cl Bottle
€2.46	€0.47	€10.99	€0.47	€0.54	€0.30	€4.92	€3.57

Some National Issues

28. Low Alcohol Products: A reduced alcohol products tax rate of half the standard rate was introduced in October 2008 for beer and cider exceeding 1.2 % volume but not exceeding 2.8% abv. However, the take up appears to be low.

29. “On” v “Off” Sales: There has been a general trend towards off-sales in recent years. High pub prices, price discounting in supermarkets, the smoking ban and the introduction of random breath testing for drivers have all contributed to this shift towards the Off Trade. While this movement is excise neutral there is a loss of VAT from sales at lower off-license prices. Industry data indicate that the divide for Beer is now at 67% On Trade and 33% Off Trade. The general perception, however, is that off-sales are probably now at least on a par with on-sales.

30. Purchases in UK: Relative prices in the UK, especially in Northern Ireland, are the major factor influencing out of State sourcing. In the case of beer and wine, a much greater diversity of brands, and widespread short-term discounting by retailers, makes it difficult to compare prices. There is also a considerable variation in the relative prices within each type of product, and the presence in Northern Ireland of smaller measures and lower strengths of beers and ciders may, because of the apparent price advantage, distort matters further. Nevertheless it is clear that, in spite of recent UK Budget excise increases (13p per 70cl bottle of spirits, 1p to a pint of beer, 4p to a 75cl bottle of still wine and 5p to a 75cl bottle of sparkling wine), there has in recent years generally been a significant differential in favour of purchases in the North (see Annex 1 for details).

31. Purchases in Other Countries: In addition to the price incentive for UK purchases, annual visits by Irish residents to continental Europe increased substantially between 2000 and 2008. However, travel was marginally down in 2008 and decreased by 13.5% from January to June 2009. There is evidence of significant purchasing of wine in particular by car ferry passengers to the continent.

32. Smuggling/Counterfeit Products: There were thirteen successful prosecutions for alcohol offences up to the end of July this year, compared to four in 2007 and two in 2008. Counterfeit vodka continues to be the subject of enforcement and prosecution. Seven of the alcohol offence prosecutions this year concerned the delivery of counterfeit vodka. APT law in this area was strengthened in the 2005 Finance Act to help combat this type of fraud. The estimated retail value of alcohol seizures last year was €0.71m and the amount for the months January to August 2009 was €0.34m.

33. In its pre-Budget submission Alcohol Action Ireland is proposing an excise increase of 10 cents on beer, spirits and cider per standard measure and on wine per bottle. It is also proposing that minimum prices per unit be introduced for alcohol products. The Drinks Industry Group of Ireland (DIGI) in its pre-Budget submission is seeking a 20% reduction in alcohol excise in Budget 2010. DIGI states that ‘penal taxation is an ineffective way to deal with misuse of alcohol’; and that the proposed measures ‘will keep more people in employment and will repatriate sales and taxation revenue to the South by reducing cross border shopping’.

Cost of Alignment of Irish Excise with UK rates

34. The following table indicates the cost of over €170m would be involved in bringing excise rates in this jurisdiction into line with those in Northern Ireland.

**Irish and U.K. current excise rates on typical alcoholic products and costs associated
with alignment (based on 2009 estimated consumption)**

	Irish Rate	U.K. Rate	Change Required	Estimated cost (incl. VAT)
Beer pint 4.2% abv	€0.47	€0.46	- €0.01	- €9.92m
Cider pint 4.5% abv	€0.47	€0.21	- €0.26	- €29.08m
Still Wine bottle 12.5% abv	€2.46	€1.89	- €0.57	- €42.31m
Sparkling Wine bottle 12.0% abv	€4.92	€2.42	- €2.50	- €3.91m
Spirits half glass 40% abv	€0.56	€0.38	- €0.18	- €85.56m
Total Cost				- €170.78m

Issues at EU Level

35. The EU Commission challenged Ireland some years ago about what it considered an unacceptably favourable treatment of beer as opposed to wine. It contended that the difference in excise rates between beer and wine constituted discrimination between a largely domestic product (beer) and a largely imported one (wine). Ireland’s response to the Reasoned Opinion, issued in 1999, was that it did not accept the Commission’s position. Nothing further has been heard in the meantime. XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
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Possible Excise Increases

37. By European standards Ireland applies high levels of excise on alcohol products (see Annex 4). Ireland has the highest excise rates in the EU on both still and sparkling wines by a considerable amount. Ireland has the second highest excise rates on beer and spirits.

38. The following table shows the estimated effect of a range of VAT inclusive increases in terms of yield and impact on the CPI.

	2c	4c	6c	8c	10c
Beer (per pint)	€13.9m	€27.7m	€41.4m	€55.1m	€68.7m
	0.027%	0.054%	0.082%	0.109%	0.136%
Spirits (half glass)	€6.3m	€12.6m	€18.7m	€24.7m	€30.6m
	0.010%	0.020%	0.030%	0.039%	0.049%
Cider (per pint)	€2.1m	€4.3m	€6.4m	€8.5m	€10.5m
	0.004%	0.008%	0.013%	0.017%	0.021%
	10c	20c	30c	40c	50c
Wine (Bottle)	€5.2m	€10.3m	€15.3m	€20.1m	€24.7m
	0.011%	0.023%	0.034%	0.046%	0.057%

Cross Border Survey – 14 October 2009**Comparison of prices of Excisable Products
(Noting Tax/Duty differences between Ireland & UK)**

Item	€ Price In		€ Excise & VAT		€ Difference in Actual Price between N.I. and State
	State	N.I.	State	N.I.	
Stout (per 500ml can)	2.04	1.52	0.78	0.57	0.52 Dearer in State
Lager (per can)	1.99	1.30	0.85	0.61	0.69 Dearer in State
Whiskey (bottle)	25.99	17.17	15.59	9.05	8.82 Dearer in State
Vodka (bottle)	22.49	13.24	14.28	8.12	9.25 Dearer in State
Wine (Chard)	9.24	6.74	4.10	2.60	2.50 Dearer in State
Sparkling Wine	14.24	9.66	7.44	3.47	4.58 Dearer in State
Cigarettes (20)	8.45	6.35	6.71	4.81	2.10 Dearer in State

All prices are in euro, using an exchange rate of 1 euro = 0.9302 Sterling

EU Comparisons on Cigarettes**Current most popular price category, retail price and excise content in Euro:**

Order	Member State	Retail Price Per 1,000 cigarettes	Excise Content per 1,000 cigarettes	Retail Price Per packet of 20	Excise Content per pack of 20
1	Ireland	422.50	260.52	8.45	5.21
2	UK *	317.50	201.71	6.35	4.03
3	France	265.00	169.60	5.30	3.39
4	Sweden	251.88	130.62	5.04	2.61
5	Netherlands	236.84	136.65	4.74	2.73
6	Belgium	236.84	140.06	4.74	2.80
7	Germany	235.29	140.72	4.71	2.81
8	Finland	220.00	129.53	4.40	2.59
9	Denmark	214.47	114.52	4.29	2.29
10	Italy	185.00	108.23	3.70	2.16
11	Austria	180.00	104.09	3.60	2.08
12	Malta	179.67	109.50	3.59	2.19
13	Luxembourg	172.00	99.18	3.44	1.98
14	Portugal	170.00	104.75	3.40	2.10
15	Greece	150.00	86.25	3.00	1.73
16	Spain	150.00	95.70	3.00	1.91
17	Cyprus	141.00	83.25	2.82	1.67
18	Czech Rep.	118.30	75.14	2.37	1.50
19	Hungary	117.61	68.07	2.35	1.36
20	Slovenia	117.50	69.00	2.35	1.38
21	Slovakia	104.82	77.60	2.10	1.55
22	Latvia	104.36	67.73	2.09	1.35
23	Estonia	102.83	63.83	2.06	1.28
24	Romania	96.35	57.22	1.93	1.14
25	Lithuania	88.33	49.60	1.77	0.99
26	Poland	85.01	67.66	1.70	1.35
27	Bulgaria	74.01	50.94	1.48	1.02
	Average	176.95	106.94	3.54	2.14

*UK price taken from Revenue Cross Border Survey, October 2009

Source: EU Excise Tables, July 2009.

Exchange rate: 1 Euro = 0.9302 Sterling

EU Comparisons on Cigarettes

MPPC and Excise Content

E.U. Cigarette Taxation							
<i>Irish Rates are based on position 1 July 2009</i>							
TIRSP = Tax Inclusive Retail Selling Price of cigarettes in the MPPC							
Member State	Specific Excise €	Specific As % of Total Tax	Ad Valorem Excise €	Ad Valorem Excise As % of TIRSP	TIRSP €	Total Tax as % of TIRSP	Total Duty as % of TIRSP
Poland	0.82	49.35%	0.53	31.41%	1.70	97.62%	79.58%
Slovakia	1.05	55.59%	0.50	24%	2.10	90.00%	74.03%
Bulgaria	0.42	33.13%	0.60	40.50%	1.48	85.49%	68.82%
Latvia	0.63	36.96%	0.72	34.50%	2.09	82.26%	64.91%
France	0.32	7.50%	3.07	57.97%	5.30	80.39%	64.00%
Spain	0.20	8.76%	1.71	57%	3.00	77.59%	63.80%
UK*	2.45	51.04%	1.52	24%	6.35	75.59%	62.52%
Czech Rep.	0.84	44.26%	0.67	28%	2.37	78.89%	62.92%
Estonia	0.64	39.46%	0.64	31%	2.06	78.75%	62.08%
Ireland	3.67	54.70%	1.54	18.25%	8.45	79.36%	61.66%
Portugal	1.31	49.33%	0.78	23%	3.40	78.28%	61.62%
Malta	0.44	16.07%	1.75	48.70%	3.59	76.20%	60.94%
Germany	1.65	46.39%	1.16	24.66%	4.71	75.77%	59.81%
Romania	0.70	48.29%	0.44	23%	1.93	75.36%	59.39%
Belgium	0.32	8.79%	2.48	52.41%	4.74	76.49%	59.14%
Cyprus	0.41	20.17%	1.25	44.50%	2.82	72.08%	59.04%
Finland	0.30	8.94%	2.29	52%	4.40	76.91%	58.88%
Slovenia	0.35	20.00%	1.03	43.65%	2.35	75.39%	58.72%
Italy	0.14	5%	2.03	54.74%	3.70	75.17%	58.50%
Hungary	0.70	39.98%	0.67	28%.30	2.35	77.87%	57.87%
Austria	0.53	19.90%	1.55	43%	3.60	74.50%	57.83%
Netherlands	1.74	50%	0.99	20.87%	4.74	73.67%	57.70%
Luxembourg	0.34	13.89%	1.65	47.84%	3.44	70.70%	57.66%
Greece	0.11	5%	1.61	53.83%	3.00	73.47%	57.50%
Lithuania	0.55	43.19%	0.44	25%	1.45	72.11%	56.15%
Denmark	1.71	54.21%	0.58	13.61%	4.29	73.40%	53.40%
Sweden	0.64	17.61%	1.97	39.20%	5.04	71.85%	51.90%

* UK Exchange Rate taken as St£1 = €1.0714 as at 14 October 2009

Annex 4

Alcohol Excise Taxation in EU Member States (from high to low)

	Beer € per hectolitre per degree of alcohol		Wine (Still) € per hectolitre product		Wine (Sparkling) € per hectolitre product		Spirits € per hectolitre pure alcohol	
1	Finland	23.60	Ireland	328.09	Ireland	656.18	Sweden	5154.93
2	Ireland ¹	19.87	Finland	257.00	UK	295.81	Ireland	3925.00
3	UK ²	18.09	UK	230.94	Finland	257.00	Finland	3580.00
4	Sweden	17.07	Sweden	221.86	Netherlands	233.70	UK	2443.07
5	Slovenia	9.00	Denmark	82.30	Sweden	221.86	Denmark	2010.62
6	Denmark	6.82	Netherlands	68.54	Belgium	161.13	Belgium	1752.24
7	Hungary	5.95	Estonia	66.47	Germany	136.00	Netherlands	1504.00
8	Italy	5.88	Lithuania	57.34	Denmark	123.32	France	1471.75
9	Poland	5.75	Latvia	56.41	Czech Rep.	95.46	Poland	1466.63
10	Netherlands	5.56	Belgium	47.10	Slovakia	79.66	Malta	1400.00
11	Austria	5.00	Poland	46.72	Estonia	66.47	Greece	1308.00
12	Estonia	4.92	France	3.45	Lithuania	57.34	Germany	1303.00
13	Cyprus	4.78	Hungary	0.00	Latvia	56.41	Estonia	1291.06
14	Belgium	4.28	Austria	0.00	Hungary	53.59	Lithuania	1278.96
15	Slovakia	4.13	Germany	0.00	Poland	46.72	Latvia	1255.11
16	Greece	3.40	Greece	0.00	Romania	34.05	Czech Rep.	1081.10
17	Portugal	3.14	Spain	0.00	France	8.53	Luxembourg	1041.16
18	Latvia	3.07	Italy	0.00	Austria	0.00	Hungary	1038.69
19	France	2.64	Luxembourg	0.00	Greece	0.00	Portugal	1001.35
20	Lithuania	2.46	Portugal	0.00	Spain	0.00	Austria	1000.00
21	Czech Rep.	2.45	Cyprus	0.00	Italy	0.00	Slovakia	939.38
22	Spain	2.28	Slovenia	0.00	Luxembourg	0.00	Slovenia	911.00
23	Luxembourg	1.98	Slovakia	0.00	Portugal	0.00	Spain	830.25
24	Germany	1.97	Bulgaria	0.00	Cyprus	0.00	Italy	800.01
25	Bulgaria	1.92	Czech Rep.	0.00	Bulgaria	0.00	Romania	750.00
26	Malta	1.87	Romania	0.00	Slovenia	0.00	Cyprus	598.01
27	Romania	1.87	Malta	0.00	Malta	0.00	Bulgaria	562.43
	EU Average	6.28	EU Average	54.30	EU Average	95.67	EU Average	1544.36
	EU Minima	1.87	EU Minima	0.00	EU Minima	0.00	EU Minima	550.00

¹ When applying these rates to product offerings, the Irish excise content of a pint of stout is 47 cents, €2.46 for a bottle of wine, €4.92 for a bottle of sparkling wine and €10.99 for a bottle of whiskey.

² The UK rates are (Sterling) £16.47; £214.02, £274.13 and £2,264.00 and the Euro equivalents shown above are @ exchange rate of €0.9267. This is the rate at 8 October 2009.