INTRODUCTION

1. CBI Scotland is an independent organisation funded by its members in industry and commerce and representing firms from across Scotland of all sizes and from all industrial, commercial and business sectors.

2. Scotland is fortunate to have a strong Food & Drink sector - generating employment, company headquarters, exports, and tax receipts - and the CBI's membership includes firms from the drinks and retail sectors and associated supply chains, e.g. agriculture, bottling and packaging, haulage. In the recent past CBI Scotland has participated in and supported several official initiatives to promote responsible messages on alcohol, such as model alcohol workplace policies and guidelines on commercial sponsorship in the devolved public sector. We therefore welcome this opportunity to respond to the Health & Sport Committee's scrutiny of the Scottish Government’s Alcohol etc (Scotland) Bill.

3. We support the desire for effective action to tackle alcohol misuse, but believe several of the measures contained within the Bill will diminish the competitiveness of Scottish-based firms in the drinks and retail sectors together with their supply chains, burden business with yet more red tape and cost, and undermine the Scottish Government’s own and welcome priority of enhancing economic growth.

MINIMUM PRICING

4. The Scottish Government is right to want to tackle the serious problem of alcohol misuse and excessive consumption, recognising the impact it has on the nation's health and public purse. We acknowledge the desire of Scottish Ministers to take further action on this matter, building on the wide range of public policy interventions already in place which include licensing restrictions and excise duties. Business is committed to playing its part by working with government to combat the problem.

5. However, we have serious misgivings about the catch-all approach being pursued in many parts of this Bill, not least over minimum pricing, and the negative consequences this could have for businesses operating in Scotland, Scottish exports abroad, and the government's own agenda to enhance economic growth. Our members are concerned that minimum pricing will not be effective[^1] at tackling problem drinking, that it has been wrongly portrayed by its advocates.

[^1]: "Minimum alcohol prices may not cut drinking", Press & Journal, 13 January 2010
as a ‘silver bullet’, and that it will do little to build a better and wider understanding of the need for individuals to drink responsibly.

6. Instead, the public policy focus ought to be on the use of targeted interventions aimed at the irresponsible minority who misuse alcohol, and not on penalising consumers with higher prices regardless of how responsible they are, how moderately they drink, or how restricted their family budget is.

7. CBI Scotland has previously commended² the Scottish Government on reforming its approach to regulation. However, we believe the catch-all measures in the Bill on minimum pricing etc fall short when measured against the ‘five pillars of better regulation’ template³ advocated by the Scottish Government’s own Regulatory Review Group, particularly on the need for legislation and regulation to be proportionate and targeted.

8. Members have voiced further concerns about minimum pricing, such as: the likelihood that it will simply incentivise consumers to opt for other less expensive alcoholic beverages; that it may not be competent or legal under European Union law or WTO rules; that it will be subject to a ratchet effect as the Administration of the day pushes the minimum price ever upwards; that it may adversely affect smaller and innovative drinks producers - e.g. of specialist or regional products – and their ability to get noticed and establish themselves in the marketplace.

9. CBI members have also voiced fears that minimum pricing could provide a boon for online, mail order, black market or cross-border purchasing from other jurisdictions within the UK, at the expense of Scottish businesses, as consumers respond to the disparity in pricing by undertaking ‘alcohol tourism’ to England etc. This would undermine the effectiveness of the policy, distort the market, and negatively affect retailers located in Scotland.

10. We share the concerns of both CBI members in the drinks sector and the Scotch Whisky Association who warn of the potential deleterious impact minimum pricing could have on Scottish exports. This could arise from the introduction of copy-cat practices in overseas markets, particularly those keen to protect their indigenous producers and keep premium Scottish exports out. Setting a precedent on minimum pricing here could undermine the Scottish Government’s own welcome efforts to support indigenous exporters in the Food & Drink sector through Scottish Enterprise and Scottish Development International, and at a time when Parliament has itself launched an inquiry into what more can be done through public policy to nurture and support Scottish exporters.

² CBI Scotland press release welcoming Scottish Government’s regulation “report card”, 16 June 2009
³ As set out in the Regulatory Review Group’s 2009 annual report, Scottish Government website, June 2009
SOCIAL RESPONSIBILITY LEVY

11. Requiring all retailers to pay a blanket social responsibility levy - in addition to their existing license fees and other local charges and taxes on business levied by their local authority, the Scottish Government, and Business Improvement District - irrespective of any assessment of risk or how responsible they are, is wholly disproportionate. The lack of clarity over what level this charge might be, how much it is designed to raise, and what it would be used for is unsatisfactory.

12. This new charge could prove to be a disincentive to good behaviour by retailers, many of whom already provide support for community based and other initiatives to promote health lifestyles and responsible drinking efforts. All customers would in effect foot the bill for this levy, regardless of how responsible they are, and it does little to encourage those who misuse alcohol and misbehave to take responsibility for their actions.

13. Instead there should be greater focus on licensees who trade irresponsibly, such as those who sell to children under 18 years of age or the intoxicated. Firm action should be taken against those who knowingly trade irresponsibly, such as through prosecution and the revocation of licenses for such practices, and likewise those individuals who partake in such irresponsible behaviour.

RAISING LEGAL ALCOHOL PURCHASE AGE TO 21

14. We share concerns about underage drinking and alcohol misuse by young adults and the blight this has on their community and their own prospects.

15. However we remain to be convinced that penalising the majority of young adults in a given area, rather than the misbehaviour of the minority who abuse alcohol, is right approach. It might simply move the problem around as young people seek out nearby retail premises not subjected to the age restriction.

16. Instead, current licensing laws ought to be rigorously enforced and consistently applied, existing retail campaigns such as the Challenge 25 initiative - which encourages young adults wishing to buy alcohol to carry acceptable identification – should be strengthened, and young people should be encouraged to take a responsibly approach to drink.

PROMOTIONS

17. Responsible promotions in retail outlets should be perfectly acceptable, as there is nothing wrong with offering good value to customers.

18. However our members believe a catch-all ban on multi-buy promotions is deeply unfair and untargeted. Restricting promotional materials to
the designated alcohol display areas within larger retail outlets could
mean popular promotions such as ‘Dine in for £10’ could only be
displayed in the alcohol aisle, affecting a wider range of products than
just alcohol.

19. More compelling evidence is required in order to justify the new
restrictions being proposed in this Bill.

POSSIBLE ALTERNATIVES

20. Business is committed to playing its part by working with government to
combat the problems of alcohol misuse and excessive consumption.

21. As mentioned previously, the policy focus ought to be on: the use of
targeted interventions aimed at the minority who misuse alcohol and
the root causes which lie behind their excessive and harmful drinking;
zero tolerance of drunken public behaviour; maximising the
enforcement of existing rules and stiffer penalties as necessary; and
building a better understanding of the need for individuals to drink
responsibly.

22. In addition to the various alternatives outlined earlier in this submission,
efforts should be made to build on the good practice that already exists
to encourage responsible drinking and healthy lifestyle options, e.g.
drinkaware.co.uk, Campaign for Smarter Drinking, Alcohol Awareness
Week, PubWatch etc, working with the Portman Group, SWA, Scottish
Retail Consortium and others to improve codes of practice and
standards.

23. CBI Scotland has supported efforts, through the Scottish Government
& Alcohol Industry Partnership, to encourage employers to introduce
responsible alcohol workplace policies, so that the issues are taken
seriously and that health and safety best practice is promulgated
widely. It is important and right that individuals are encouraged to
realise that problem drinking can cost them their job, affect their
prospects as well as their family, driving license, and a myriad of health
cconcerns.

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