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Equitable tax will help reduce alcohol harm

KUALA Lumpur and Selangor Chinese Assembly Hall secretary-general Yong Yew Wei, speaking at a seminar in Kuala Lumpur to launch the “Promote a Healthy Lifestyle, Reduce Alcohol Harm” campaign on May 22, claimed Malaysia was ranked the world’s 10th largest consumer of alcohol, with spendings of over US\$500mil.

This claim was backed up by a working paper which stated that per capita consumption of alcohol in Malaysia was seven litres and beer consumption 11 litres, figures misleadingly attributed to the World Health Organisation.

While we have not had the opportunity to discuss this directly with Yong, we would like to point out that his figures do not correspond with the latest WHO data.

WHO measures alcohol consumption in terms of litres of pure alcohol (overall and by category – beer, spirits, wine, others), and its recent *WHO’s Global Status Report on Alcohol & Health* lists per capita consumption of alcohol in Malaysia at 0.8 litres. This ranks Malaysia at 167th, one of the world’s lowest per capita consumers of alcohol.

Notwithstanding, we take the issue of alcohol related harm very seriously and we welcome efforts by various ministries to create awareness on the dangers of alcohol abuse.

But misinformed statements on alcohol consumption risk painting a distorted and negative picture of alcohol consumption in Malaysia, and do not support the development of evidence-based policies to reduce alcohol-related harm.

We would welcome the opportunity to work with the Government and community stakeholders on harm reduction initiatives.

In its *2010 Global Strategy to Reduce the Harmful Use of Alcohol*, WHO recognises the important role the industry has to play in contributing to this agenda.

We regularly engage with the relevant authorities on alcohol tax reform to support responsible drinking behaviour.

The current tax structure is not consistent with global best practice, which suggests products with similar alcohol content should be taxed equally.

In contrast, the total tax on imported brown spirits in Malaysia stands at RM250 and above per litre of pure alcohol (or RM71 and above per 70cl bottle), making it one of the highest in the region; whereas the total taxation on locally produced compounded hard liquor stands at RM23 per litre of pure alcohol (or RM6 per 70cl bottle).

In other words, imported brown spirits in Malaysia are taxed more than 10 times that of compounded hard liquor, despite being a product of similar alcohol content.

We believe a level playing field is necessary to support efforts to reduce alcohol-related harm and we stand ready to engage with government stakeholders to discuss the issue and promote regulations that are simple, transparent, predictable, reasonable and subject to the authorities’, the public’s and the industry’s recognition.

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