

Danish Brewers' Association

- on beer and responsibility



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FOREWORD

Beer is the world's oldest cultural beverage. The world's fourth largest brewery is Danish, and during the last 5 to 10 years Denmark has developed into one of the most intriguing beer nations in the world. We can choose products from more than 120 Danish breweries. This is very impressive considering the country's poor size. Just as impressive is the amount of countries to which we export beer, and the status that Danish beer holds.

Meanwhile the breweries are met with an increasing number of demands from society – especially regarding health issues. The Danish Brewers' Association proactively prevents marketing of beer in a way that encourages abuse of the product. And throughout the years the industry has imposed itself a special responsibility, reaching much further than required by law, which is unlikely seen surpassed by any other line of business in the world.

Great disadvantages by increased taxes

It is continuously proposed to increase taxation on beer as an attempt to limit the quantity of consume. However, all experience in Denmark shows that increased taxes on beer will not change the quantity consumed – only the pattern of which it is bought will change. The most plausible effect of increased taxation on beer will be increase in border trade, smuggling and illicit retail business. The state will lose income – without seeing a decrease in consume. It is fair to question the logic of a tax increase when trying to target the 5 % of the adult population, who is estimated to have an alcohol addiction, when a tax raise in fact will punish the 85 % of the population whose consumption is within the recommended max units of alcohol intake.

The establishment of numerous new breweries means a toughened competition. All beginning is difficult – and costly. Quite a few breweries are having a hard time financially. Extra costs in the form of a tax increase can ruin a fairytale in the modern Danish industrial history.

Beer is healthy

A number of scientific researches show that persons consuming beer in moderation – moderation being defined as 1 to 3 units of alcohol a day – has an 18 % reduced risk of premature death compared to persons that do not drink alcohol at all or persons exceeding the recommended max intake per week. A moderate intake of beer supply essential vitamins and minerals to the body (especially B-vitamins, iodine, magnesium and silicon). Other studies show, that beer reduces the risk of cardiovascular diseases and type 2-diabetes.

Read more concerning these and other topics on the following pages, all combined under the joint title "Beer and responsibility".

Best regards,
The Danish Brewers' Association


Niels Hald
Director

SUMMARY

Denmark is proud of its beer brewing tradition and today, Denmark is one of Europe's leading beer producers. Beer is a low alcohol drink brewed from malted grain, hops, yeast and water. During the last few years the beer market has become more diverse and a number of new Danish micro breweries have been established. Danish breweries produce a significant quantity of the beer consumed in Europe and Asia and more than 32,000 Danish jobs have been created in breweries and related businesses.

Since 1980 beer consumption in Denmark has decreased by more than a third. In conjunction with this decrease there has also been a change in people's drinking behaviour. Many Danes now enjoy a beer with their meal whereas previously alcohol consumption tended to be episodic. In particular the alcohol habits of young Danes have changed. Compared to the previous decade they start drinking when they are slightly older and their overall consumption is less. The Danish Brewers' Association therefore states that the existing age limit restrictions on sale at 16 years and on serving at 18 years are effective and should be maintained.

Surveys indicate that drinking beer in moderation does not pose a health threat. The essential vitamins, minerals and natural oxidants found in beer may actually benefit people's health. This is especially true for people suffering from heart disease.

By labelling their products with information on drink content the Danish Brewers' Association supports the drink recommendations as defined by the Danish National Board of Health. However, the Danish Brewers' Association does not support the introduction of health warnings labelling, which it believes is not effective as a way of lowering alcohol consumption or deterring those who abuse alcohol. With regard to alcohol tax, documentation shows that changes in alcohol tax does not affect total alcohol consumption and can create the potential for an uncontrolled, illegal market for alcohol.

The Danish Brewers' Association and the business in general take an active role in marketing activities by the foundation of a set of restrictive marketing rules. In cooperation with among others the Danish Consumer Association an Alcohol Marketing Board (Alkoholreklameævnet) has been established to enforce the rules.

THE BEER MARKET

Beer is a low alcohol drink brewed from malted grain, hops, yeast and water. The impressive range of beer types available today are a result of beer brewing's origin and long history. Beer has been brewed for more than 10,000 years and has constituted an important part of people's fluid intake throughout the years.

Beer brewing began in the Orient and West Asia. It spread to the Middle East and then into Europe. The brewing culture reached Denmark some 3,000 years ago (Nielsen 2005). Today beer is an important part of the Danish culture and 85% of Danes' beer consumption takes place within the recommended drink guidelines as outlined by the Danish National board of Health.

The Danish Brewers' Association states

... that the development of the beer market during the last five years has been extremely positive. A number of Danish micro breweries have emerged across the country creating greater consumer choice and an increasingly diverse beer market. By renewing tradition Denmark can keep its position as one of Europe's best and largest beer suppliers. The new players in the market help consolidate today's fine market position.

Denmark is in top

The European continent is the largest producer of beer. In 2004 beer production was (Bryggeriforeningen 04/2006):

- 39,200 bn. litres in Europe
- 25,000 bn. litres in the US
- 23,000 bn. litres in China

Denmark's long standing tradition of brewing high quality beer places the country ahead of other typical beer producing nations measured on both production and international export. Statistics from 2005 show that (Bryggeriforeningen 2007):

- Danish beer production was 804 mill. litres – from this app. half was exported
- Danish breweries produced 10 times as much beer abroad as domestic

Besides Western and Eastern Europe home markets for Danish breweries also include; Russia, China and South East Asia. Danish Breweries contribute DKK 13 mill annually to the Danish welfare system through e.g. taxes and value building. Beer is not just part of the Danish culture but also an important part of the Danish business sector representing more than 4,000 jobs in the brewery industry. In addition to this at least 28,000 jobs have been created in associated businesses such as e.g. farming, transportation sector and the food and beverage sector.

THE BEER MARKET

More special beers

Since beer took over the number one position as the Danes' preferred alcohol drink from schnapps (da. 'snaps') in the previous century it has maintained its popularity (Astrup et al 2006). However despite its popularity, this century beer sales have dropped to almost 92 mill. litres from app. 645 mill. litres in 2000 to app. 553 mill. litres in 2007 (Bryggeriforeningen 2008).

Although there has been a decline in beer consumption the overall interest in beer continues to grow. This is clear from the number of new micro breweries that have been established. As a result the beer market has experienced an increase in the availability of special beers and the import of foreign beers (Bryggeriforeningen 2007).

- Five years ago, Danish special beer and foreign beer constituted app. 1-2% of the beer market
- Today, Danish special beer and foreign beer constitute app. 7% of the beer market
- During the last three years, 66 new breweries has been established in Denmark
- In 2006, app. 500 new Danish beers were launched

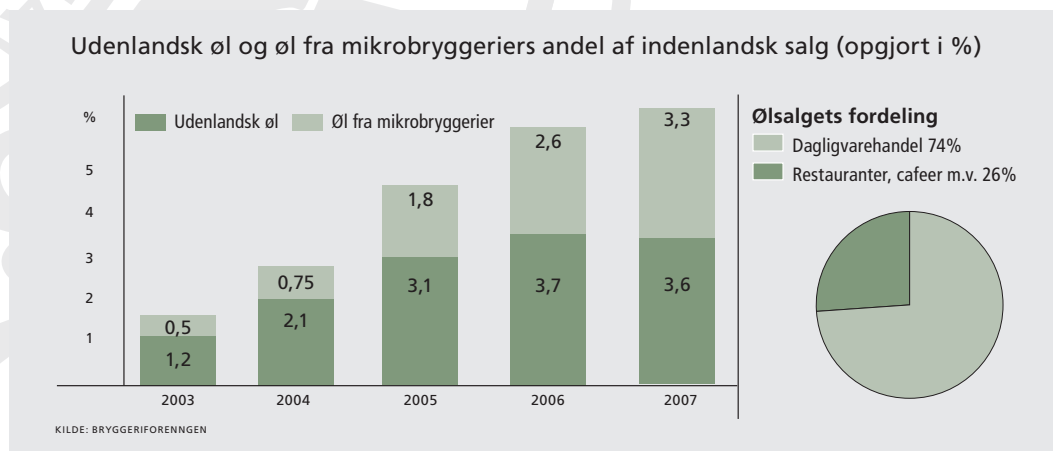


Figure 1: The market share of foreign beer and beer from Danish micro breweries.

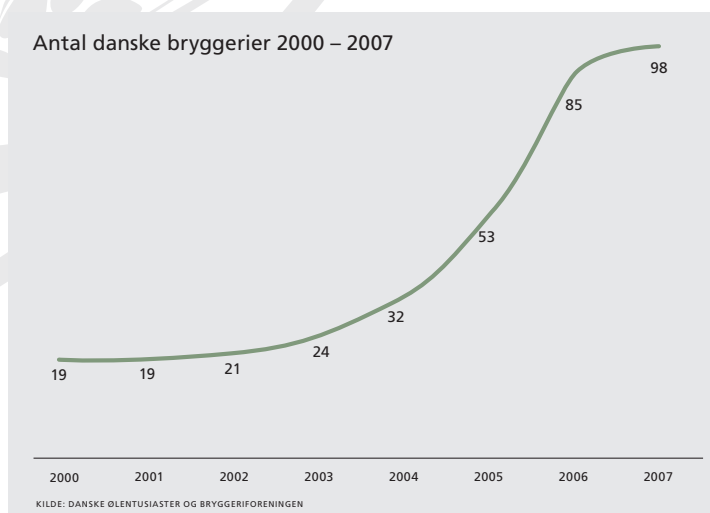


Figure 2: The number of Danish breweries from 2000 to 2006.

THE BEER CONSUMPTION

Today Danes drink less beer than they used to. Primarily this is due to a general decrease in overall alcohol consumption. However, this is also the result of an increased preference for wine during the last 30 years, inspired by the EU membership and the influence from Southern Europe. Currently the distribution of beer and wine consumption respectively is 53% and 47% in favour of beer (Bryggeriforeningen 2008). Only wine producing EU countries such as Italy and France drink more wine than the Danes.

One of the most positive benefits from the Southern European influence is a change in Danish drinking patterns. The Danes are moving from a typical Northern European culture which favours episodic drinking, characterized by many drinks consumed on a single occasion, towards a Southern European culture where alcohol is seen as a natural accompaniment to a meal. The result is a healthier, more moderate alcohol intake (Statens Institut for Folkesundhed 2007).

The Danish Brewers' Association states

... that it is common sense to follow the drink recommendations, both the maximum consumption and the limit for daily use, provided by the Danish National board of Health. By voluntarily labelling products with information on drink content the Danish Brewers' Association supports the drink recommendations as outlined by the Danish National Board of Health. Appropriate beer culture pays respect to those who do not wish to consume alcohol.

Drinking beer is not suitable for children or very young people. It is the responsibility of parents to educate their children on safe alcohol consumption. Therefore the Danish Brewers' Association supports the dialogue between young people and their parents by initiating campaigns designed to promote a delay in the age at which people start drinking and create the foundation for healthy beer drinking behaviour.

Moderate consumption of beer is unproblematic – surveys even indicate that it can benefit people's health. However, excessive consumption of beer and other alcoholic beverages among a small group of the population can be problematic. The Danish Brewers' Association is against excessive consumption and works actively to moderate any inappropriate alcohol use.

The Danes' alcohol consumption

Beer is a low alcohol drink that should be consumed moderately. Danes average alcohol consumption was relatively stable at app. 10 litres of pure alcohol a year from the beginning of 1970s to around 1995. Between 1995 and 2006 total alcohol consumption decreased by 11%.

THE BEER CONSUMPTION

Following Danish EU membership in 1973 wine has increasingly been represented as part of Danish alcohol consumption; this factor is the primary reason for the decrease in beer consumption, below measured in litres 100% pure alcohol per year per inhabitant (Bryggeriforeningen 2008):

- Beer consumption has decreased from 5.9 in 1980 to 4.0 in 2006
- Wine consumption has increased from 1.9 in 1980 to 3.5 in 2006
- Spirits consumption decreased until 2004 with a level of 1.1 annual litres however has increased since then to 1.4 annual litres in 2006

The Danes' total alcohol consumption is distributed as follows (Bryggeriforeningen 2008):

- Beer consumption constitutes app. 45%
- Wine consumption constitutes app. 40%
- Spirits consumption constitutes app. 15%

Few drink much

Overall, the Danish population is familiar with the drink recommendations defined by the Danish National Board of Health: a weekly maximum of 14 drinks for women and 21 drinks for men plus the recommendation not to drink more than five drinks at any one time.

The distribution of alcohol consumption is irregular since it is estimated that a relatively small part of the population – around 10% – is consuming app. half of the total volume (Hermansen et al 2007). Variations in the consumption are defined among others by age, gender, social class plus according to the type of alcohol consumed.

- 90% of the female population over 16 years and 85% of the male population drink within the recommendations laid down by the Danish National Board of Health (Statens Institut for Folkesundhed 2002)
- It is estimated that app. 5% of the adult population is dependent on alcohol (Indenrigs- og Sundhedsministeriet 2002)
- In general, men tend to drink more alcohol than women

Beneficial effects from alcohol

Research into the relationship between alcohol consumption and a person's general health has revealed proven beneficial effects with regard to heart disease. Epidemic research and surveys have documented an increase of 40% to 60% in the risk of heart disease among total abstainers compared to those with a moderate daily consumption of alcohol (Astrup et al 2006).

THE BEER CONSUMPTION

The term 'moderate alcohol consumption' means the amount of alcohol consumed which research has found beneficial. For middle aged or older women a daily consumption of one drink is moderate, however for men a moderate consumption can be up to three drinks a day.

A beneficial effect of moderate alcohol consumption is an increase in HDL cholesterol and improved insulin sensibility. In addition, moderate alcohol consumption appears to have an effect on a number of other diseases, including e.g. type 2 diabetes, dementia and Parkinson's disease (Nedergaard 2006).

One particularly positive effect is the reduced risk of heart attacks. The risk of a heart attack is reduced by 30% to 40% with moderate daily alcohol consumption. WHO estimates that alcohol's most positive quality is the risk reduction of heart attacks (WHO Global Status Report on Alcohol 2004) – the risk reduction is similar to precaution such as e.g. keeping a normal weight through a healthy and various diet and regular exercise (Manson et al 1992).

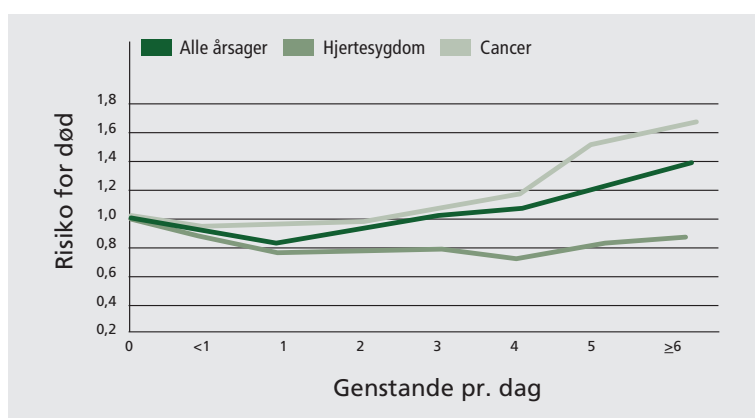


Figure 3: The connection between alcohol consumption and risk of death by respectively heart disease, cancer and 'all causes'.

A meta-analysis of 34 surveys worldwide has shown a risk reduction in early death of 18% among people with moderate daily alcohol consumption compared to those with an over consumption or total abstainers (Di Castelnuovo et al 2006).

Moderation is the key

It is a fact that the over consumption of alcohol among other things can damage the organism. The most common damage caused by over consumption is damage to the nerve system, the liver, the pancreas and the stomach. Not all damages are permanent and some can disappear with time if over consumption stops (Nedergaard 2006).

THE BEER CONSUMPTION

Naturally, there are individual differences in the effect of over consumption but typically damage occurs when 30% to 40% of the daily energy intake is alcohol (Nedergaard 2006). According to the Nordic Nutrition Recommendations (Nordiske Naeringsanbefalinger) daily energy intake from alcohol should not constitute more than 5% of the total energy intake (Nordic Council of Ministers 2004).

Some types of cancer are more common among abusers of alcohol; especially cancer in organs which come into direct contact with alcohol, e.g. mouth, throat and gullet. The risk is increased if the alcohol abuser also smokes (Olsen et al 1985).

The latest research shows a proven connection between women's over consumption of alcohol and an increase in the risk of developing breast cancer.

Alcohol and obesity

Obesity is a threat to the national health and can lead to a range of lifestyle diseases. Increasing numbers of Danes are registered as obese. In 2007 app. 11% to 12% of both men and women were severely obese, i.e. with a BMI index over 30 (Hermansen et al 2007).

The energy-content in alcohol products tend to vary. Beer has a lower alcohol percentage and lower energy-content than other alcoholic drinks such as wine and spirits.

	Energy kJ/kcal per 100 g	Protein per 100 g	Carbohydrate per 100 g	G alcohol per 100 g
Lager	165/39	0.3	2.6	3.7
Red wine	297/71	0.2	2.0	9.5
White wine	330/79	0.2	3.0	9.9
Dessert wine	545/130	0.3	2-10	16.5
Liqueur	1033/246	-	29	18
Spirits	1071/255	0	1	35

Table 1: Overview of energy-content and nutrition content in various alcohol products.

THE BEER CONSUMPTION

Research has shown that energy from alcohol does not have the same appetite regulating effect as energy from other nutrients. In other words, alcohol does not satisfy appetite which means that there is a risk of consuming more calories than are being burnt. This naturally results in weight gain (Hermansen et al 2007).

Despite this, population surveys have not documented a greater tendency towards being overweight among people with moderate alcohol consumption compared to those who undertake total abstinence.

An organism burning alcohol produces more heat and it is estimated that between 18% and 28% of the alcohol energy is used in this process (Astrup et al 2006). In comparison only app. 10% of the energy from an average meal is used for heat production in the organism. The higher heat production reduces the accessible energy from alcohol which is why calories from alcohol actually contribute less to the total energy intake than other nutrients (Glick 1987).

Furthermore, a controlled survey (Buemann et al 2002) has demonstrated that energy intake from beer is lower than that of wine in a scenario with ad libitum intake of alcohol and food. This implies that beer has a more advantageous effect on appetite regulation than wine. It is possible that this effect is due to the lower energy-content per volume unit in beer compared to wine, likely supplied by a more filling feeling from the carbon acid in beer.

Research on the comparison between obesity and alcohol consumption implies that daily moderate alcohol consumption is of no importance for the development of obesity (Koh-Banerjee et al 2003). However the research also documents that drinking patterns are of greater importance for the development of obesity than the actual quantity of alcohol. Volume and frequency seem to be connected with the development of obesity; increased alcohol volume can be related to risk of obesity whereas increased frequency of alcohol consumption can be related with a lower risk of obesity. Therefore it is reasonable to conclude that daily moderate consumption of alcohol is the most beneficial drinking pattern (Tolstrup et al 2005).

Beer and a healthy lifestyle

It can be assumed that moderate alcohol consumption has no negative affect on a person's nutritional status (Nedergaard 2006). Because beer is brewed from ingredients such as malted grain, hops, yeast and water the nutritional profile of beer is dependent on the quality of the selected ingredients and the brewing process. As a result nutritional content varies according to beer type and the chosen brewing process.

Compared to wine and spirits beer is a low alcohol drink with a typical alcohol content of app. 4.6% (lager beer). App. 93% of beer is water which is why beer consists of three times more water per serving than wine. The fairly large water content implies that beer has a lower energy density than wine (cf. table 1).

THE RELATION WITH THE CONSUMER

Beer is brewed with natural ingredients and therefore moderate beer consumption provides a number of essential vitamins and minerals needed as part of a healthy and varied diet (Bebb et al 1971). Among other things beer is a substantial source for some B vitamins, especially B2, niacin, B6 and pantothenic acid with a content of more than 5% of Recommended Daily Intake (RDI) per beer. Beer also contains folate which is necessary for cell division, transformation of amino acids and production of red blood cells. It is the brewing processes of yeast and malt that contribute to the relatively high content of B vitamins in beer.

Furthermore, beer contains a number of minerals, including among others iodine, magnesium and silica. Per beer, the content of iodine and magnesium covers approx. 9% of RDI. Iodine is decisive for the thyroid's creation of metabolism hormones and magnesium is of importance for muscle and nerve functions as well as being effective in risk reduction of heart disease. Beer is a remarkably good source for silica with its content of 7 mg per beer corresponding with approx. 22% of RDI. The benefit is higher mineral density in the bones (Fødevaredatabanken; Powell 2005) and research has documented silica's supplementary role in the creation and maintenance of the connective tissue.

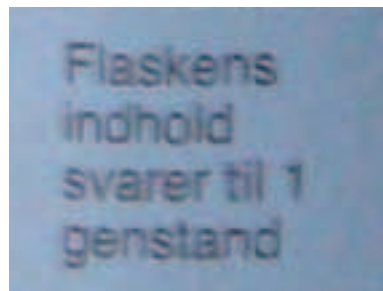
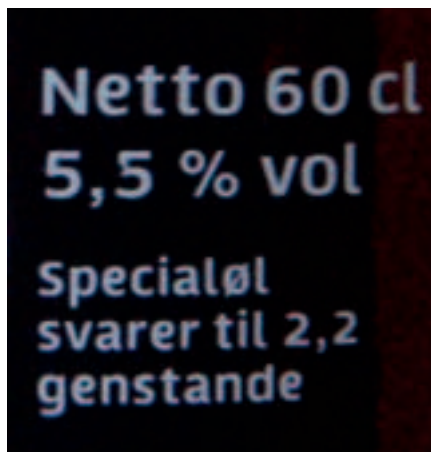
Both wines and beer contain natural antioxidants in the shape of flavonoids; in beer the flavonoids come from humulones and prenylnaringenin. The antioxidants in beer come from malt (approx. 70-80%) and hops (approx. 20-30%). The amount of antioxidants in beer depends on the type of beer, again depending on the ingredients and brewing process. Because of the molecular structure of the antioxidants in beer these are easily absorbed by the organism. Natural antioxidants have a positive effect on the risk of thrombosis (Pignatelli 2000). In vitro research and animal tests of beer's flavonoids have furthermore shown biological effects – they are not only functioning as antioxidants and phyto-oestrogens but also restrict cancer, bone disintegration and inflammation. Having said this, more research naturally is necessary (Gerhäuser 2005; Delmulle et al 2006; Albini et al 2006; Kondo 2004).

Well established consumer relations are important to maintain a credible reputation in the society. Therefore special care is displayed towards vulnerable groups such as e.g. children and young people and abusers of alcohol. For this reason, the introduction of preventive initiatives is core. It is vital that young people do not begin drinking alcohol too early in life.

The Danish Brewers' Association states

... that the brewery sector supports the drink recommendations defined by the Danish National Board of Health by voluntarily labelling their products with information on drink content.

THE RELATION WITH THE CONSUMER



Special care must be taken regarding children and very young people since this group should not drink beer. The Danish Brewers' Association therefore supports age limit restrictions on the sale and serving of alcohol. This ensures a separation between child and adult culture. The Danish Brewers' Association believes that the age limit for the sale of alcohol must be realistic and must have support from the general population. If the age limit is set too high the result will be a circumvention of rules and hence become ineffective. The Danish Brewers' Association therefore states that the existing age limit restrictions on sale at 16 years and on serving at 18 years are effective and should be maintained.

It is important that adult consumers have a natural and relaxed relationship with alcohol consumption and that they are familiar with the effects of moderate use. Therefore the Danish Brewers' Association plays a role as originator and partner in the development of various forms of informational material and campaigns that educate consumers on appropriate alcohol habits and calls for a dialogue between interested parties. In addition to this the Danish Brewers' Association targets differentiated communication to specific groups – e.g. children and young people, parents or abusers of alcohol – to ensure the best possible passing on of messages.

Further legislation in this area will probably result in a number of unintentional negative effects such as e.g. growth in illegal trade and cross-border trade, homemade spirits and socio-economic loss. Restrictive legislation typically leads to lack of trust and openness because the state will lose information on sale and consumption which makes it more difficult to initiate preventive measures towards vulnerable target groups.

THE RELATION WITH THE CONSUMER

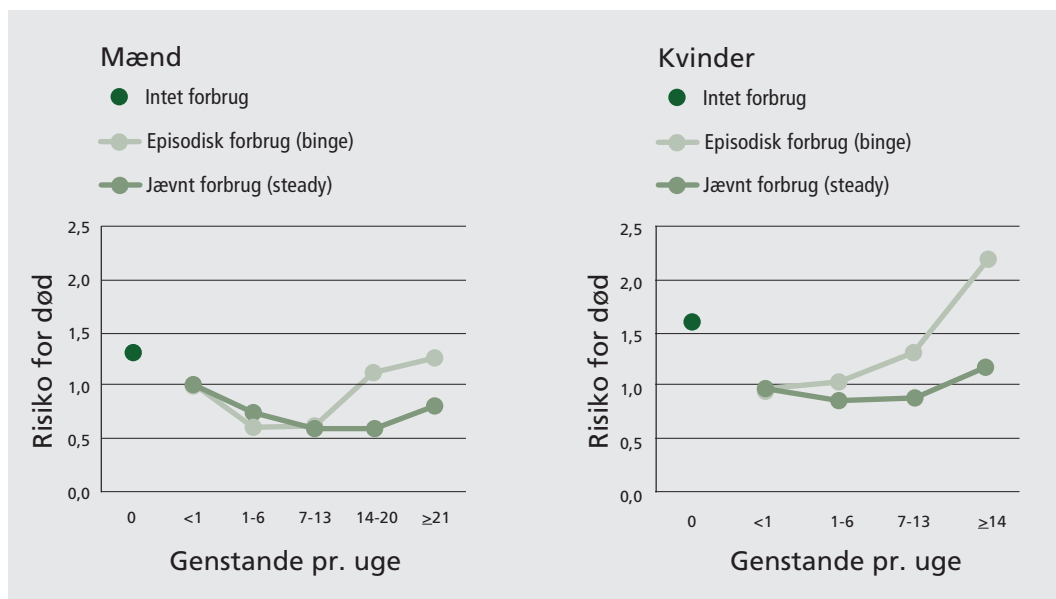
The Danish Brewers' Association does not believe that product labelling with health warnings is a suitable communication channel to prevent abuse situations. The target group is immune to this kind of communication – and a broad labelling of products does not align with the Danish Brewers' Association's idea of appropriate information to specific target groups.

Furthermore, the Danish Brewers' Association does not believe this is the right way to regulate a knowledge society. Naturally, the Danish Brewers' Association is against any abuse of beer or other alcohol consumption and it is the association's aim to support the prevention of any abuse.

Drink recommendations

The drink recommendations defined by the Danish National Board of Health are a weekly maximum of 14 drinks for women and 21 for men. This has been determined on the basis of research results by alcohol related deaths and central alcohol related diseases (Hermansen et al 2007). The recommendations represent the upper limit for alcohol consumption when not leading to possible damages. In addition to the drink limitations, the Danish National Board of Health recommend that no more than five drinks are consumed on any one occasion; also known as binge drinking (Mørch 2005). The positive effects of moderate alcohol consumption will be reduced by binge drinking.

Figure 4: Overview of the relative death risk for men and women by no consumption, episodic consumption and moderate consumption of alcohol.



THE RELATION WITH THE CONSUMER

Health warning labelling

Several research projects demonstrate the ineffectiveness of health warning labels where the target group is abusers of alcohol; and by this the intention of limiting alcohol abuse is not fulfilled (Hankin et al 1996). In 2000 research from Arizona State University showed that people did not drink less because of the health warnings (Malacinski 2008). On the contrary research indicates that warnings may actually increase the alcohol consumption through a 'forbidden fruit' effect (Pittman 1998).

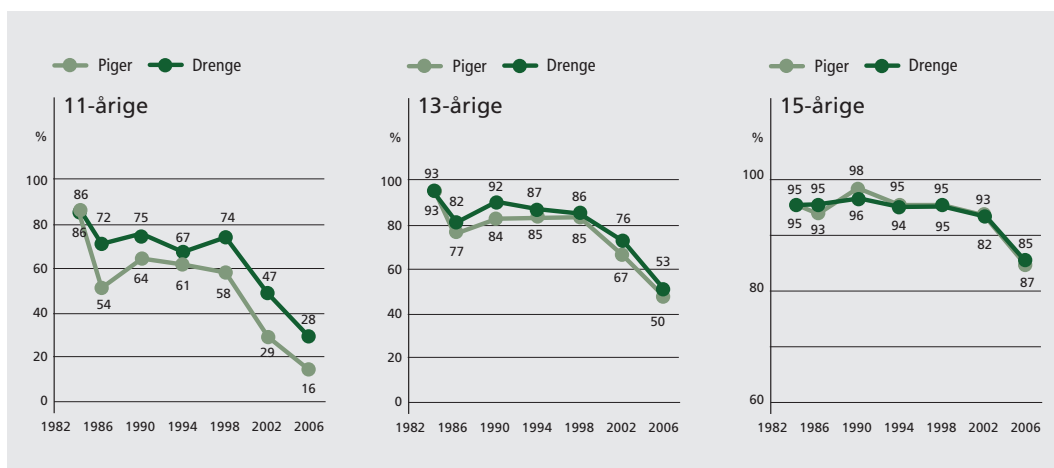
Alcohol abuse often stems from more complex situations and can be a symptom of other problems that might be social or psychosocially defined. Health warning labelling of alcohol products therefore is far too simple a solution to solve the fundamental reasons behind the abuse. Health warnings is a mass strategy aimed at the whole population, however since most people have an unproblematic and moderate consumption of alcohol, warnings are irrelevant.

Young people and alcohol

Beer can be consumed by adults but should not be consumed by children. Yet there are a large number of children and very young people who drink too much alcohol. Regardless of the reasons for this the brewing sector would like to see young people start drinking at an older age and the association is dedicated to preventing over consumption by young people. Since 1998 a sales limit of 16 years has been in effect which resulted in a 25% decrease in the number of children buying alcohol from 1998 to 2001 (Sundhedsstyrelsen 2002).

The two latest surveys on the alcohol habits of children and young people show positive changes in their relationship with alcohol (Statens Institut for Folkesundhed 2008). This positive development can be seen not only in recent research but also in statistics from the last 20 years (Rasmussen et al 2007).

Figure 5: The development from 1984 to 2006 with respectively girls and boys at the age of 11, 13 and 15 years who have tried drink alcohol.



THE RELATION WITH THE CONSUMER

Among other things the surveys show that (Statens Institut for Folkesundhed 2008):

- The age at which young people start to drink alcohol has risen
- Fewer children and young people have been drunk
- Those who drink tend to consume less alcohol

Furthermore the surveys indicate that the attitude among parents and the parents' acceptance of their children's alcohol consumption influences both the age at which a child starts drinking and their alcohol consumption level. First and foremost it is the responsibility of parents to ensure appropriate drinking behaviour among their children. The influence of the parents is valid until the age of 16-20 years (Sundhedsstyrelsen 2003). Parents function as role models which is why it is vital that parents talk to their children about alcohol so that both parties are aware of their attitudes respectively.

A research project from 2005 showed that young people have an exaggerated idea of drinking, smoking, drug use and criminal behaviour among their friends of the same age. It appears that 'everybody' thinks that 'the others' are doing things which are typically only carried out by very few. An example is that young people have the impression that twice as many young people get drunk once a month than is actually supported by the statistics. In addition to this, the survey showed that simple mechanisms such as e.g. class discussions can minimise the social exaggerations (Ringsted-projektet).

Information and campaigns

Targeted communication must ensure that messages and initiatives reach the receiver and influence the behaviour effectively with little risk of misinterpretation. Most important is the targeted dialogue aimed at vulnerable children and young people who are not able to change their health behaviour solely on the basis of public accessible information (Jensen 2002).

A holistic approach to the person's existence is necessary in the effort towards abusers of alcohol where alcohol abuse is often part of a more complex problem. Therefore it is of great importance that both prevention and treatment has its starting-point in something more than just the alcohol abuse itself and the intoxication.

In July 2008 the Danish Brewers' Association launched a concept for social responsibility; "Are you ready?" which is targeted at young people. The aim is to educate young people on appropriate alcohol culture. Parallel to this an additional concept was launched aimed at young people's parents; "Fuss-free talk" the idea being to provide parents with the necessary tools to generate dialogue and debate in the home and investigate the whole family's attitude towards appropriate alcohol culture.

THE RELATION WITH THE CONSUMER

The concept "Are you ready?" consists of a number of campaigns aimed at a young audience. The first campaign was held at the so called 'Green Concerts' 2008. The core message aimed at young people was "do not drink and drive". The campaign provided information on the risks connected to drunk driving. Ongoing separate campaigns containing a number of different messages will be launched as part of the "Are you ready?" concept.

The two concepts include among other things two different websites where young people and their parents can seek advice and information on alcohol and the effects of alcohol and it is possible to participate in opinion forming activities, e.g. competitions. The link between the two concepts is an online quiz about appropriate alcohol culture in which you can challenge each other. The quiz can help to open up a dialogue between the young person and their parents helping to overcome any barriers they may have in initiating this conversation themselves.

www.klarsnak.com.
Aimed at parents.



www.erduklar.com.
Aimed at the young people.

INFLUENCE ON THE CONSUMPTION

Most of the Danish population has a sensible attitude towards alcohol consumption. Only app. 5% of the population is consistent alcohol abusers. Abusers often have more complex problems which include additional social or psychosocial problems besides their alcohol abuse.

The Danish Brewers' Association states

... that there is no 'easy solution' when developing initiatives designed to increase the number of Danes who stay within the recommended alcohol consumption limits. Prohibitions such as age limits on the sale and serving of alcohol can be justified for dealing with children and very young people. However, further legislation beyond these limits will not solve a society's problem with alcohol.

Responsibility for children and young people's drinking habits rests primarily with their parents. However, society must also take responsibility for ensuring that vulnerable groups or individuals are not present in alcohol environments. The Danish Brewers' Association calls on the sector to take on the responsibility of self adjustment and collective ethical behaviour.

The alcohol sector must work together to ensure that all parties – e.g. restaurants and the retail business – follow legislation. It is also important that employees serving alcohol enforce the legislation and are able to deal with any possible problems which may occur when serving alcohol.

The Danish Brewers' Association does not find it credible that a regulation of tax would result in the expected changes in consumption. The average alcohol consumption has been fairly constant during shifting governments and tax systems. It is the experience of the Danish Brewers' Association that the most positive influence on the consumer and the consumption of alcohol is obtained through information and dialogue.

Self regulation rather than restrictions

Denmark's Nordic neighbours Sweden, Norway and Finland have introduced a number of limitations on the access to alcohol. However statistics from these countries show that these restrictions have not resulted in a decrease in alcohol consumption (Norström 2002). Recent research from Sweden documents that young people are being pressured to seek out the illegal market which unfortunately also covers sale of hashes and hard drugs. Experience therefore shows that people do not necessarily change their alcohol consumption due to further restrictions. One of the disadvantages caused by the introduction of further legislation and restrictions is that alcohol becomes positioned as an unnatural part of everyday life, at the same time an illegal market, cross-border trade and the production of homemade spirits is nurtured.

Taxes and price regulation

One method which is often suggested as a tool to regulate people's consumption of

INFLUENCE ON THE CONSUMPTION

alcohol is higher tax. The intention of this regulation is based on the assumption that an increase in price – e.g. through a raise in tax – will automatically generate a decrease in sales and hence create a decrease in consumption. However this view does not take into consideration that the consumer might compensate for the raised price by lowering their consumption of other goods. Or put in a more precise way: Because the price of beer will rise as a result of increased taxes the Danes may not necessarily choose not to drink beer at their dinner; they may choose to go without other goods instead.

Since 1995, the official tax based sale of alcohol has been decreasing. Parallel to this the relative price of beer has fallen substantially and the standard of living as well as general consumption has increased. During this period changing governments have adjusted the level of tax on alcohol. In 2003 the tax on spirits was lowered by almost 50% however total alcohol consumption did not increase. On the contrary, alcohol consumption has been decreasing.

What the tax changes on spirits actually did change was market shares between the various types of alcohol. During 2003 consumption of spirits increased at the expense of beer and wine. Research in the tax changes' influence on alcohol consumption in Denmark concludes that consumption is not affected by tax. From this it is natural to conclude that a rise in tax cannot automatically be considered a useful tool to limit the alcohol consumption of the Danes.

In 2005 Denmark lowered tax on beer by app. 12.8%¹. This resulted in a decrease in cross-border trade by 12.5% from 120 mill litres beer in 2004 to app. 105 mill litres beer in 2006. The reduction in tax made it less attractive to travel south of the Danish border to buy beer and soft drinks.

The central effect of the changes in tax therefore is that sales cross borders can be moved which implies that the effect is not seen on people's consumption but on the state economy.

In a globalised world where trade increasingly takes place across borders and where the possibility of opening international markets are constantly explored, it is an illusion to believe that one-sided tax changes in a single country can change consumer behaviour. National borders are increasingly less important to consumer's shopping habits.

Furthermore it is notable that tax often is socially skewed and tends to strike groups in society with the lowest income. This is particularly relevant when it comes to tax on beer (Skatteministeriet 2005).

¹ On January 9th 2005 the tax on beer was reduced from DKK 58.40 per litre pure alcohol to DKK 50.90

INFLUENCE ON THE CONSUMPTION

The Nordic countries have the highest tax level on alcohol products in Europe. Sweden is the only country which bases its tax level on the health risk attached to alcohol. Tax and sale restrictions in Sweden are supposed to modify alcohol consumption – and the official sales are considerable lower than in Denmark (NOMESCO 1999). However the statistics do not show the massive cross-border trade and the large black market for alcohol. Smuggling and homemade spirits constitutes the black market and is estimated to make up a little less than one fifth of the total spirits consumed in Sweden. Swedish consumption has been reliably estimated by the Swedish Center för socialvetenskaplig alkohol- och drogforskning ved Stockholms universitet, SoRAD (Center for Social Scientific Alcohol and Drug Research at University of Stockholm) and the conclusion is an annual consumption of 9.8 litres pure alcohol per inhabitant over the age of 14 years (SoRAD). Alcohol sold from Systembolaget (the Swedish Alcohol Retail Monopoly), restaurants and in supermarkets constitutes a consumption of less than 6.75 litres pure alcohol per inhabitant over the age of 14 years. The rest – more than three litres – is imported cross-border, smuggled or homemade.

In Sweden spirits represents 25% of the total alcohol consumption in comparison with the Danish market of 15% spirits (SoRAD). According to the association Sveriges Bryggeriet (Swedens' Breweries) app. 30% of the consumed beer in Sweden has not been traded through legal channels and therefore tax has not been paid to the Swedish state (SoRAD 2004).

For countries with illegal production and a large cross-border trade such as e.g. Sweden it is a challenge to monitor the population's alcohol consumption. The legal market only represents a minor part of the actual consumption which is why authorities cannot possibly draw a credible overview of the realistic alcohol consumption. When preventive initiatives are taken towards e.g. alcohol abusers or potential abusers it can therefore be difficult to target the groups sufficiently (Brewers of Europe 2004).

It can be concluded that the Swedish situation with relatively high tax on alcohol has generated a larger consumption of strong alcohol (spirits), a substantial illegal trade and a result loss in state economics and loss of control over the alcohol politics.

Much therefore indicates that consumers must be inspired and urged to change their lifestyle and possible inappropriate habits. The motivation to change lifestyle does not emerge from tax changes however but through information on the benefits from a healthier lifestyle. Tax changes in a globalised world will only move the trade to countries with cheaper goods or increase the illegal trade within borders with its highly unwanted effects.

INFLUENCE ON THE CONSUMPTION

Finally it should be stressed that 85% of the Danish population has normal alcohol consumption and that this group of consumers will suffer from extra expenses if an attempt is to be made to regulate total alcohol consumption by a rise in tax.

Strength through cooperation

Experience has proven open dialogue between authorities, the breweries and serving the environment is necessary for better cooperation with sustainable solutions moving towards an appropriate alcohol culture. Increased cooperation between the brewery sector and public institutions will create better results both regarding prevention and marketing.

MARKETING OF BEER

Marketing is a natural part of everyday life for both consumers and companies. Marketing is an essential factor for an effective market economy because the business sector must have an opportunity to inform the market of existing products as well as upcoming products.

The Danish Brewers' Association states

... that the core of a competitive situation is the quest for market shares through consumer preferences – this means that bottom line marketing is aimed at moving market shares rather than expanding the volume of an existing market. In relation to alcohol products the market shares move not only between brands but also between the various types of alcohol, e.g. beer, wine and spirits.

The marketing of alcohol products should not encourage excessive alcohol consumption or give the impression that alcohol consumption can lead to personal success; it is important to bear in mind that alcohol has a potential abuse profile. It is therefore necessary that the alcohol sector displays a great deal of responsibility both regarding the health issues of alcohol but in particular towards children and young people who must be protected against exposure to alcohol products. The Danish Brewers' Association takes part in regulating the marketing of alcohol products.

The Danish Brewers' Association has a clear objective of ongoing self regulation and responsively takes part in the prevention of alcohol abuse and promotion of appropriate moderate alcohol consumption.

Marketing and consumption

The marketing of alcohol products is frequently debated. A large international survey on marketing's effect on the total sale of beer and other alcohol clearly shows that marketing *does not* lead to an increase in sales (Mitchell 2002).

The survey compared the marketing budgets for alcohol products with the sales of this product group however no connection between the size of the budgets and volume of sales could be proven, cf. the figure below.

MARKETING OF BEER

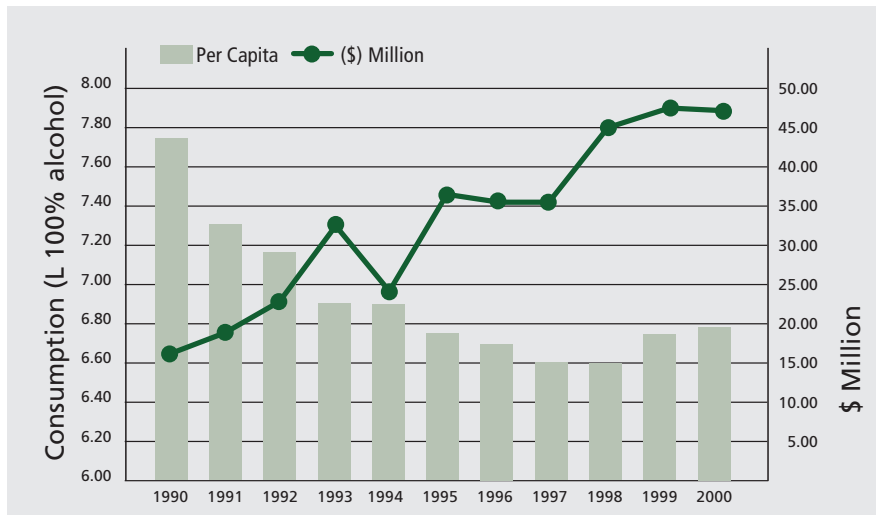


Figure 6: The connection between marketing budgets and alcohol consumption from 1990 to 2000.

Surveys of beer marketing corresponded with the above results concluding an absence of increased volume however documented that marketing can actually move market shares from one beer brand to another or from alcohol products such as wine and spirits to beer. Hence marketing is actually an internal struggle between industries in a market dominated by consumer loyalty and brand value.

Guidelines and the Alcohol Marketing Board

Marketing of alcohol products towards children and young people is regulated according to Danish Marketing Law § 1 and 8, part 2. In this it is stated that direct or indirect marketing of alcohol products towards children and young people is prohibited. Furthermore the consumer ombudsman has drafted a number of guidelines for marketing and people under age in which there is a section on marketing of alcohol products. These guidelines are a detailed repetition of the Marketing Law § 8, part 2 and serves the purpose of supporting the legislation.

In addition to this the brewery sector and the wine and spirits sector developed a set of rules back in 1999 in cooperation with among others abstinence associations, the retail business, advertising sector, the Danish Consumer Council and the Danish Ministry of Health and Business Affairs. The rules on marketing of alcohol products are more restrictive than both the national legislation and the guidelines set by the consumer ombudsman.

The set of rules is a minimum standard with the purpose of inspiring the alcohol sector to ethical behaviour with special consideration for social aspects, health risks and consumer issues connected with alcohol consumption. Furthermore children and young people are protected by a prohibition of marketing initiatives towards people under the age of 18 years.

MARKETING OF BEER

According to this set of rules alcohol must not be marketed in a way that encourages inappropriate alcohol consumption, is provocative or gives the impression that alcohol consumption can lead to personal success.

In 2000 the Danish Ministry of Business Affairs supported the enforcement of the set of rules by the establishment of Alkoholreklamaevnet (the Alcohol Marketing Board). This board should attend the task which used to be under the jurisdiction of the consumer ombudsman however the establishment of the Alcohol Marketing Board also aimed at creating a structure which ensured that the rules had a potential of becoming an integrated part of the alcohol sector and boost the ethical marketing behaviour.

The Alcohol Marketing Board is an example of collective regulation – defined by the attached system of enforcement and by the fact that this enforcement is actually an independent institution with interests from both the sector and the consumer side represented.

The task of the Alcohol Marketing Board is to deal with and settle in cases regarding marketing of alcohol products in Denmark. The Alcohol Marketing Board deals with all types of cases regarding marketing of alcohol products; therefore it is of no importance for the case process whether the involved parties are members of one of the associations that created the set of rules.

In the guidelines on marketing and pricing information from 2005 the consumer ombudsman pointed out that the Alcohol Marketing Board is a brilliant example of how self regulation can be executed.

In order to ensure dialogue, continuity and uniform practice representatives from business sectors that are not directly involved in the case take part in the board's meetings. The aim with this procedure is to move the somewhat predictable general attitudes of the board in a more constructive direction to help preventing future cases in the board.



Website for the board.
www.alkoholreklamaevnet.dk

INTERNATIONAL OUTLOOK

It is not only the Danish Brewers' Association which has a vested interest in the promotion of appropriate and moderate beer consumption. The Danish Brewers' Association has close international ties with both the WHO and Brewers of Europe which is the Danish Brewers' Association's European sister association.

The Brewers of Europe

The Brewers of Europe consists of 25 brewery associations with a total of more than 3,000 members. The European Commission has established the 'EU Alcohol and Health Forum' with the task of forming concrete initiatives to prevent alcohol abuse and promote suitable alcohol consumption in general. The Brewers of Europe is a very important and active member of the EU Alcohol and Health Forum.

Members of Brewers of Europe all strive for the fulfilment of the objectives of the EU Alcohol and Health Forum and all members have committed themselves to a number of initiatives to promote the objectives nationally. The Danish Alcohol Marketing Board is established as an example of a collective regulative organisation following this dedication and total the 25 member states have announced more than 300 initiatives during the last five years.

WHO's alcohol strategy

Since 2001 WHO has planned the development of an alcohol strategy. In January 2008 the executive committee of WHO decided on a resolution regarding alcohol; moving towards the agreement of a proper alcohol strategy in 2010.

Development of the alcohol strategy has three main purposes:

1. To minimize the risk of damages following alcohol abuse
2. To secure a flexibility in strategy so that national steps can be taken with respect for national customs
3. Include the alcohol sector and other relevant financial stakeholders in the creation of the strategy to ensure that it will be implemented in the daily work

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