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WHO urges European governments to raise alcohol taxes

WHO provides new resources to guide policymakers on alcohol taxation

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Last week, the World Health Organization (WHO) released a press statement highlighting the growing problem of alcohol affordability in Europe and its impact on public health. According to WHO, alcohol is now more affordable in many European

countries than it was two decades ago. This trend has contributed to the region maintaining the highest per capita alcohol consumption in the world. The consequences are visible in rising rates of cancers, liver disease, road traffic injuries, and premature deaths linked to alcohol use.

The WHO's European office published two new resources to help governments address this issue. The first is a detailed report examining how countries are using—or failing to use—taxation as a tool to reduce alcohol-related harm. The second is a toolkit aimed at health ministries and policymakers, offering practical guidance on designing and implementing effective alcohol tax policies.

The report points out that as of 2022, only 29 out of 53 European countries imposed any excise tax on wine. This gap is largely due to an outdated European Union directive from 1992 that allows member states to set wine taxes at zero. While most countries tax beer and spirits based on their alcohol content, only two do so for wine. On average, excise taxes make up 37% of the price of spirits, 16% for beer, and just 14% for wine across the region. In the EU specifically, wine taxes account for only 4% of the retail price.

These low tax rates have made alcohol significantly more affordable over time, especially in wealthier countries. The report notes that people in EU countries can now buy much more beer, wine, and spirits with their income than before. Wine remains the cheapest form of alcohol, costing just $1.13 per 10 grams of pure alcohol on average—and even less in the EU.

The WHO argues that increasing taxes on alcohol is one of the most effective ways to reduce consumption and related harm. Excise taxes can be designed to target products based on their ethanol content or price, making them flexible tools for governments. Unlike general sales taxes, which apply broadly and do not specifically discourage drinking, excise taxes can be adjusted to directly influence consumer behavior.

The organization also addresses concerns that higher taxes might drive consumers toward unrecorded or illegal alcohol markets. According to WHO's findings, there is no direct link between increased taxation and higher levels of unrecorded alcohol consumption when proper monitoring systems are in place.

Case studies from several countries illustrate the potential impact of stronger tax policies. In Lithuania, a significant increase in excise taxes in 2017 led to a 7% drop in per capita alcohol consumption within a year and a 27% rise in government revenue from these taxes. Simulations from Georgia, Germany, and Portugal suggest that even modest increases in retail prices or tax shares could lead to national declines in consumption and reductions in mortality rates.

Nordic countries such as Finland, Iceland, Norway, Sweden, and the Faroe Islands have long maintained state-run monopolies on alcohol sales. These systems regulate both prices and access, helping keep consumption lower than elsewhere in Europe.

WHO emphasizes that taxing alcohol is not just about improving public health—it also generates revenue that can be reinvested into health programs or social services. Because demand for alcohol tends to be relatively stable even as prices rise, governments can expect increased revenues alongside reduced consumption.

Despite this evidence and international commitments like the WHO Global Alcohol Action Plan 2022–2030 and Europe's Beating Cancer Plan, policy changes have been slow. The EU's main directive on alcohol taxation has not been updated since 1992.

Dr. Carina Ferreira-Borges, Regional Adviser for Alcohol at WHO/Europe, stated that taxation is among the organization's "quick buys"—policies that are inexpensive to implement but deliver results within five years. She called on governments to use the new resources provided by WHO to take decisive action.

As Europe faces rising healthcare costs and an increasing burden from noncommunicable diseases linked to alcohol use, WHO argues that stronger taxation policies offer a rare opportunity: they can save lives while paying for themselves through increased government revenue. With new tools available for policymakers and clear evidence supporting their effectiveness, WHO says what is needed now is political will.