



Wine Economics Research Centre Working Paper No. 0510

Excise and Import Taxes on Wine vs Beer and Spirits: An International Comparison

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March 2010

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Abstract

Nearly all countries tax the domestic consumption of alcoholic beverages. However, the rates of taxation, and the tax instruments used, vary enormously between countries. This paper provides estimates, for a wide range of high-income and developing countries, of the consumer tax equivalents (CTEs) of wine, beer and spirits taxes as of 2008. It encompasses wholesale sales taxes, excise taxes and import tariffs expressed both in dollars per litre of alcohol and as a percentage of what the wholesale price would be without those taxes (since many taxes are volumetric and so their percentage CTE rates vary with the price of the product). The wine CTE tends to be lower in countries with a large wine industry, by which standard Australia is shown to have relatively high wine CTEs at least for premium wine but, because Australia uses a percentage tax rather than the far more commonly used volumetric tax measure, a relatively low rate for non-premium wine.

Keywords: consumer wine taxation, excise taxes, wine import tariffs, consumer tax equivalent

JEL codes: H21, H22, H23, F13

Excise and Import Taxes on Wine vs Beer and Spirits: An International Comparison

Kym Anderson

Ten years ago the Australian Government introduced a goods-and-services tax (GST). In doing so it replaced the wholesale sales tax on wine of 41 per cent with a top-up wholesale Wine 'Equalization' Tax (WET) which, together with the GST, brought in roughly the same tax revenue from domestic wine consumers as the tax it replaced.¹ Alternative proposals, pushed by some firms in the beer and spirits industries and by anti-alcohol interest groups, suggested the WET should be much higher and volume based.² Australia's rate of wine consumer taxation was shown by Berger and Anderson (1999) to be high by OECD standards at that time, and especially by the standards of significant wine producing/exporting countries. But Australia's type of wine tax is unusual in being ad valorem (a percentage of the wholesale price) rather than specific (in cents per litre of alcohol).

The Australian Government is again considering major tax reform, following a review of the overall Australian tax system, namely the Henry Review which was completed at the end of 2009 (Henry 2009). As part of that new review, the question of wine and other alcohol tax rates and instruments has come into focus – encouraged somewhat by the call by the World Health Organization (2009) for stronger measures to reduce the harmful use of alcohol, and the recent adoption of tougher measures in such countries as France and the United Kingdom.

¹ Government revenue raising is a significant, but not the only, reason for the current tax. Its relevance should have diminished in the context of a major tax reform that introduced a general goods-and-services tax in 2000. An additional motivation for taxing wine and other alcoholic beverages is to offset perceived negative health, crime, road accident and other social externalities resulting from excessive alcohol consumption. In the case of wine, however, there is evidence of positive health benefits from moderate drinking, especially of red wine. Assessments of those externalities and other aspects affecting the optimal type and rate of taxation of different alcoholic beverages are provided in, e.g., Pogue and Sgontz (1989), Kenkel (1996), Cnossen (2007, 2009), Clarke (2008), Carpenter and Dobkin (2010) and Freebairn (2010).

² For an empirical analysis of these and other wine tax options for Australia at that time, using an economy-wide model, see Wittwer and Anderson (2002). A contemporary empirical analysis of options under consideration currently, with a focus on their distributional consequences for Australia's various wine regions, is available in Anderson, Valenzuela and Wittwer (2010).

Australia's wine industry has argued that the rate of taxation of wine should not be raised because they claim (a) it is still high by international standards and (b) wine is drunk mainly by adults in moderation with food rather than being the main beverage of choice for young binge drinkers such that it has fewer social costs than other forms of alcohol (WFA 2010). This paper examines that first claim by comparing recent tax measures for Australia with those of other countries, as a contribution to the debate. In doing so, tax rates for other alcoholic beverages are also compiled, since the optimal wine tax is not independent of the tax rates affecting consumption of substitute products. The taxes normally considered are domestic excise taxes, but countries can – and some do – use import taxes at their border as an additional or alternative way of raising the consumer price. Hence they too are considered here.³

The present paper begins by reviewing the basic economics of taxing wine assuming there are two different types of domestic consumers. It then reviews the data available and the methodology for comparing rates of taxation across countries. Estimates are then presented of the domestic alcohol taxes in Australia and 45 other high-income and developing countries that together account for more than 90 per cent of global wine consumption. The tax rates are expressed both as ad valorem equivalents and as volumetric rates (per litre of alcohol), and at a selection of price points. The latter is helpful for considering the impact these taxes are having on different types of consumers; but it is also helpful for analysts seeking to use these estimates in economic models of wine markets in which the distinction is made between, say, non-premium, commercial premium and super-premium wines. The ad valorem consumer tax equivalents of import tariffs on those products are then presented, both on their own and then in combination with domestic taxes so as to get a set of overall consumer tax rates. The final section draws out implications for the on-going tax reform debate in Australia.

³ Export subsidies also could raise the consumer price, but they have been minor in the past and are mostly phased out now. The effect of government policies on grape and wine producer incentives are ignored here, since wine is a traded product and so those supply-side effects mainly influence the share of production exported rather than the price paid by domestic consumers.

The economics of taxing wine

The simplest way of modelling the effects of wine consumer taxation in an open economy such as Australia's, in which two-thirds of wine consumption is exported, is to use a partial equilibrium diagram, assume the country is a price taker, and examine the effects on such things as domestic prices, quantities consumed domestically and exported, and national economic welfare. In Figure 1(a) it is assumed further that there are no externalities associated with producing, consuming or trading wine, so the marginal private and social benefits (MSB_f and MPB_f) coincide as do the marginal and social costs of production (MSC_f and MPC_f). If P_f is the free-trade price then with no government intervention O_fQ_f units are produced, O_fC_f units are consumed domestically and C_fQ_f is exported. An ad valorem tax on domestic consumers of 100t percent (or an equivalent volumetric tax) would lower domestic consumption (and raise exports) by $C_f'C_f$ units, raise government revenue by area acmn, but reduce consumer welfare by area admn. Hence there would be a net reduction in national economic welfare of area acd.

Figure 1(a) may well apply to the fine wine market. Indeed it may understate the national welfare cost of such taxation if, as suggested by extensive reviews of the health science literature (such as by Lippi, Franchini and Guidi 2010 and Karmel 2010), moderate wine consumption can have net positive health externalities depending on the social setting. In what follows it is assumed Figure 1(a) applies to the fine wine market, and that its demand curve is unaffected by the consumer price of basic wine (zero elasticity of substitution between fine and basic wine).

The market for basic wine, by contrast, looks more like Figure 1(b), in which (i) the domestic demand curve (MPB_b) is more elastic than in Figure 1 because beer and basic spirits are assumed to be substitutes for basic wine, especially for binge drinkers simply wanting alcohol (see Table 4 of Srivastava and Zhao 2010), and (ii) the marginal social benefit curve (MSB_b) is increasingly below MPB_b because of the negative externalities on society associated with excessive alcohol consumption.⁴ If P_b

⁴ It is common for analysts to represent the adverse social effects of excessive alcohol by raising the marginal cost curve. In the closed-economy framework of such analyses (e.g., Pogue and Sgontz (1989) and Kendel (1996)), that will generate the same optimal tax rate as is generated by including them as a reduction in national marginal benefit. In the more-appropriate small open economy case of the Australian wine market, however, it is only domestic consumption that is generating the externality

is the free-trade price for basic wine then with no government intervention O_bQ_b units are produced, O_bC_b units are consumed domestically and C_bQ_b units are exported. An ad valorem tax on domestic consumers of 100t percent would lower domestic consumption (and raise exports) of basic wine by $C_b'C_b$ units, raise government revenue by area $eijk$ and reduce consumer welfare by area $gijk$, but it would reduce the externality on the rest of the society by area $ighe$. Hence there would be a net improvement in national economic welfare of area ghe from this tax on basic wine.

If the tax on consumption of basic wine also applied to higher-priced fine wine at the same ad valorem rate, the dollar tax per unit would be higher on the latter than the former, and the national welfare gain from the taxing of basic wine would be reduced by the welfare loss in the fine wine market, e.g. area acd in Figure 1(a).

If area acd in Figure 1(a) exceeds area ghe in Figure 1(b), society could be worse off overall. The likelihood of an overall loss to society is higher the bigger are the ratios of P_f to P_b and C_f to C_b . Since those ratios have been rising over time in the course of income growth in Australia, so too has that likelihood of an overall loss from the current ad valorem Wine Equalization Tax (WET). One way to reduce that loss prospect is to have a lower ad valorem rate for fine wine but, if that is too politically difficult to introduce (e.g., because only richer people drink fine wine – see Figure 4 of Srivastava and Zhao 2010), then a change from a common ad valorem WET to a common volumetric WET would be a more covert way of achieving a similar outcome.

The optimal rate of the volumetric WET would be difficult to determine even if the only reason for government intervention was to overcome the negative externalities associated with excessive alcohol consumption. One reason is that the marginal net gain in Figure 1(b) from raising the WET on basic wine consumption has to be equated with the marginal net loss in Figure 1(a) from raising the WET on fine wine consumption. Britten-Jones, Nettle and Anderson (1987) show that both the slopes of the marginal benefit curves and the gap between the MSB_b and MPB_b curves affect that calculus. The gap between the MSB_b and MPB_b curves is not independent of other policy initiatives aimed at more-directly curbing adverse effects of excess

for the nation, hence the need to represent that externality on the demand side of the diagram (Corden 1997).

alcohol consumption, such as information programs, enforcement of drink-driving laws, restrictions on advertising alcoholic beverages, liquor licensing laws that regulate on-premise consumption and ban sales to young people, and the extent of subsidies to health care. Another complexity is that the slope of the MPB_b curve depends on the elasticities of substitution between basic wine and other alcoholic beverages. The position of that curve is further to the right, the higher the taxes on such beverages as beer and spirits (and the lower the elasticities of substitution between wine and alternative stimulants such as illicit drugs and petrol sniffing).

The supply and demand characteristics mentioned in the two preceding paragraphs, including the rates of tax on non-wine beverage consumption, vary across countries and over time. There is thus no reason in principle to expect the optimal wine tax rates to be the same across countries, or to change in the same way as economic growth and structural changes occur.

Countries also differ in the extent to which they are ‘small’ in the sense of being price takers in the international market for basic and fine wines. Fine wines especially tend to be differentiated products, so a country’s export demand curve for them would be somewhat downward sloping, rather than horizontal as in Figure 1. Altering that assumption would not affect the above qualitative conclusions regarding the optimal consumer tax, but it would affect the outcome quantitatively for producers because the tax would shift more sales to the export market and thereby depress the price received for them. That means a tax reform that replaced a uniform ad valorem tax on all domestic wine consumption with a uniform volumetric tax (whose ad valorem equivalent was therefore higher for basic wine but lower for fine wine) would raise relative returns to producers of fine wine and hence encourage grapegrowers and winemakers to upgrade the quality of their products.

With this analysis in mind, we turn now to examining the cross-country empirical evidence on alcohol tax rates.

Methodology and data sources

Since specific (volumetric, dollars per litre of beverage or of alcohol) as well as ad valorem (percentage) tax rates are used in many countries, the consumer tax

equivalent (CTE) in percentage terms typically varies with the price of wine. This distinction is important because in recent years the world wine market has been characterised by a trend towards premium wine consumption, and in some traditional wine-consuming countries the volume of non-premium wine consumption has fallen greatly. We therefore identify the tax type (specific or ad valorem) and express the CTE in terms of dollars per litre or bottle as well as an ad valorem equivalent for standard beer and spirits and for three different retail pre-tax wine prices: for non-premium wine (A\$2.50 per litre at the wholesale pre-tax level), for mid-range commercial premium wine (A\$7.50 per litre) and for super-premium wine (A\$20 per litre). The chosen price for non-premium wine such as sold in casks (A\$2.50/litre wholesale pre-tax), with a 29% excise tax (WET), a 33% mark-up to retail, and the 10% GST, implies a retail price in Australia of \$18.90 for a 4-litre cask. For commercial premium wine, A\$7.50/litre wholesale implies, with a 29% excise tax (WET), a 50% mark-up to retail and 10% GST, a retail price of \$12 for a 750ml bottle; and for super-premium wine (A\$20/litre wholesale) and the same mark-ups as commercial premium implies a retail price of almost \$32 for a 750ml bottle. Two types of sparkling wine also are considered, at wholesale pre-tax prices of A\$7.50 and A\$25/litre. In making these calculations we assume that wine and beer degree alcohol contents are 12 and 4 percent, respectively, and that the absolute alcohol content for spirits is 40 percent.

The consumer tax equivalent (CTE) is defined as the percentage by which the pre-tax wholesale price has been raised by beverage taxes (but not including the GST or VAT).⁵ To estimate it, numerous assumptions have to be made. First, the CTE is assumed to apply also at the retail level, on the assumption that the wholesale-to-retail margin is ad valorem. If in fact those margins are somewhat independent of the product price, then our CTE estimate will overstate the impact on consumers at the retail level.

Second, we assume that imported and domestically produced wines are perfect substitutes. That is, we assume the domestic prices of all wines, not just those imported, are raised by the amount of any import tariff. The tariff portion of the price

⁵ Most countries also have a value-added or goods-and-services tax applying to beverages, but since those taxes apply at the retail level to most other goods as well we do not add them to the beverage-specific taxes. However, for completeness they are reported in the Appendix of Anderson (2010), along with the foreign exchange rates used to convert specific tax rates expressed in national currencies to a common currency.

is then also subject to any domestic consumer tax. Given the heterogeneous nature of wine, it is unlikely that the average price of all wine will increase by the full amount of any wine tariff, and more so the less substitutability there is between domestically produced and foreign wines (the degree of which in practice differs by country of origin). This assumption inflates the estimated CTE above its true value in countries that are significant producers of wines that differ from those countries' imports. However, this is more or less offset by our inability to include estimates of the contribution to the true CTE of non-tariff barriers to wine imports.

Third, neither the average pre-tax retail prices of a bottle of commercial or super-premium wine or a litre of non-premium wine, nor the shares of each of these types in national wine consumption, are reliably known for more than a handful of countries. Hence an average CTE for each country is not calculated for wine as a group. Instead we calculate the CTE at price levels that approximate the average prices in Australian dollars for the three chosen categories of wine sold in Australia in 2008. For each of beer and spirits we use, for simplicity of comparison, only one representative price for standard product (A\$2 and A\$15 per litre at the wholesale pre-tax level, respectively).

The primary source for domestic tax data are national government websites plus the European Commission (2008) and the OECD (2006, 2008). The import tariffs are taken from the WITS database (World Bank and UNCTAD 2009). Depending on the importing country, a bottle of wine could face a specific (volume-based) tariff, an ad valorem (value-based) tariff, and/or a tariff based on the volume of alcohol in the product. Specific tariffs based on volume are the most popular in Europe and the United States, while ad valorem tariffs based on product value are the norm in the Asia-Pacific region with the exception of Japan and Malaysia.

CTE calculations

Summaries of the estimates of the consumer tax equivalent (CTE) by tax instrument for the various beverages, expressed both in dollars and in percentages, are shown in Tables 1 to 4, each of which is discussed in turn.⁶

⁶ Appendix Tables 1 to 6 of Anderson (2010) detail the rates used as the basis for calculating the CTEs.

Table 1 shows the CTE for still wine, beer and spirits (excluding VAT or GST) in 2008, expressed as a percentage of selected wholesale pre-tax prices. Relative to other wine-exporting New World countries, and certainly European wine-exporting countries, Australia does indeed have higher ad valorem equivalent excise taxes on wine at all three price points. However, Australia's wine tax rates are lower than their counterparts in wine-importing countries, shown in the second half of Table 1, except in the case of wines above the commercial premium range. Furthermore, Australia has higher excise taxes also for beer and spirit than the average for either of those two groups of other countries. Thus by that international standard wine is lightly taxed relative to beer and spirits in Australia. The only group of wine consumers in Australia who could claim to be relatively highly taxed are those who buy super-premium wines – unlike consumers in most other countries because they have volumetric rather than ad valorem wine taxes. This is ironic, since consumption of expensive fine wines is least likely to contribute to the social problem of binge drinking.⁷ There is no obvious economic justification for this type of penalizing of consumers of high-quality wine, given the presence of tiered income tax rates that can deal adequately with any income distributional issues society may have.

In Table 2 the CTEs are expressed not as percentages of the wholesale price but rather as dollars per litre of alcohol. These present a mirror to the numbers just summarized, in that they confirm (a) that low-quality wines below about A\$7.50 are lightly taxed in Australia relative to most other countries except those that are net exporters of wine, and (b) that the alcohol in beer and spirits is taxed more in Australia than in most other countries, so making low-quality wine an even cheaper source of alcohol relative to non-wine sources in Australia than elsewhere.

Those first two tables refer only to domestic taxes on alcohol. Many countries also impose import duties on beverages at their border, which are the equivalent of a production subsidy and a consumption tax on like goods. These duties are low but often specific tariffs for most high-income countries,⁸ but they are nontrivial for

⁷ The story is much the same as for sparkling wines, that is, only consumers of the super-premium product could be considered relatively highly taxed in Australia (see Appendix Table 6 of Anderson 2010).

⁸ The calculated CTEs for North America are 'lower bound' estimates of the true CTEs as the price effects of state monopoly controls on the distribution of alcohol in Canada, and myriad state-controlled non-tariff barriers to wine trade into the United States, have not been quantified. It is alleged, for example, that the Liquor Control Board of Ontario (possibly the world's biggest importer of wine) applies a two-thirds mark-up on imported wine.

numerous developing countries. When the import duties (shown in Appendix Table 7) are converted to ad valorem equivalents and combined with the ad valorem excise taxes shown in Table 1, Australia's relative position does not change much vis-à-vis other high-income countries, but the CTEs of developing countries now look higher compared with Australia's. Even so, when illustrated as in Figures 2 and 3, Australia is seen as an outlier in terms of its high taxes on high-priced wines, whereas it is seen as more towards the low-tax end of the spectrum for non-premium wines.

In short, on a volume of alcohol basis, Australia's super-premium wine consumers face a CTE more than three times the unweighted average for high-income OECD countries of 14 percent, while its non-premium consumers face a CTE of only half the unweighted average for that country group of 11 percent (row 1 of Table 2). Meanwhile Australia's beer and spirits CTEs are about seven times and more than twice the unweighted averages for high-income countries of 5 and 28 percent, respectively. Hence relative to other beverage consumption, non-premium wine in Australia is taxed at well below the high-income country average and super-premium wine is taxed at far above that group's average – and to an even larger degree when the high-income country average is weighted according to volume of wine consumption, since the largest consuming countries (France, Italy, Germany and Spain, accounting for around 40 percent of global wine consumption) have the lowest taxes.

Implications for Australia's tax reform debate

The above international comparison provides a number of pointers of relevance to the Australian alcohol tax reform debate, including the following:

- Among the New World wine-exporters, Australia is the highest-taxing country for 750ml bottles of wine above about A\$7.50 wholesale pre-tax (and wine consumption is not taxed at all in most European wine-producing countries except slightly via a specific tariff at the European Union's external border);
- Even for non-premium wine retailing at less than \$20 for a 4-litre cask, among the New World wine-exporters only New Zealand has (at 85 percent) an ad valorem equivalent wine tax rate above Australia's;

- Among the wine-importing high-income countries, for 750ml bottles of wine above A\$7.50 wholesale pre-tax, the only countries with ad valorem equivalent wine tax rates above Australia's are the UK, Ireland and the Nordic countries;
- Even for the wine-importing developing countries for which data have been found, for 750ml bottles of wine above \$7.50 wholesale pre-tax only half have ad valorem equivalent wine tax rates above Australia's, namely, Korea, Malaysia, Thailand and Turkey (and India if import duties are included);
- Nonetheless, on a volume of alcohol basis, Australia's super-premium wine consumers face a CTE more than three times greater than the unweighted average high-income countries of 14 percent, while its non-premium consumers face a CTE of only half the that country group's average of 11 percent; and
- Since Australia's beer and spirits CTEs are about seven times and more than twice unweighted averages for high-income countries, relative to other beverage consumption Australia's non-premium wine is taxed at well below average and super-premium wine is taxed at well above the high-income country average.

Notwithstanding those comparisons, there has been strong lobbying by the health community for higher volumetric taxation of alcohol consumption in general, and by the beer and spirits industries for greater tax equality across types of alcoholic beverages. It is therefore not surprising that Australia's 2009 Henry review of taxation has focused on both the level of wine taxation and on whether the tax measure should remain ad valorem. Meanwhile, fine wine producers, especially those unable to afford the high start-up costs of exporting, have been supportive of a switch to volumetric taxation (so long as it does not involve an overall hike in wine taxes). If that switch does materialize, it will encourage more Australian vignerons to produce, and more Australians to consume, finer wines; and, in doing so, it is likely to bring Australia's wine tax system closer to a socially optimal regime.⁹

⁹ It would have major implications for the regional distribution of winegrape production, however. For an economywide modelling analysis of what impacts a change in the type and rate of tax on wine might have on wine and other beverage consumption in Australia, and on the wine industry's regional production and exports, see Anderson, Valenzuela and Wittwer (2010).

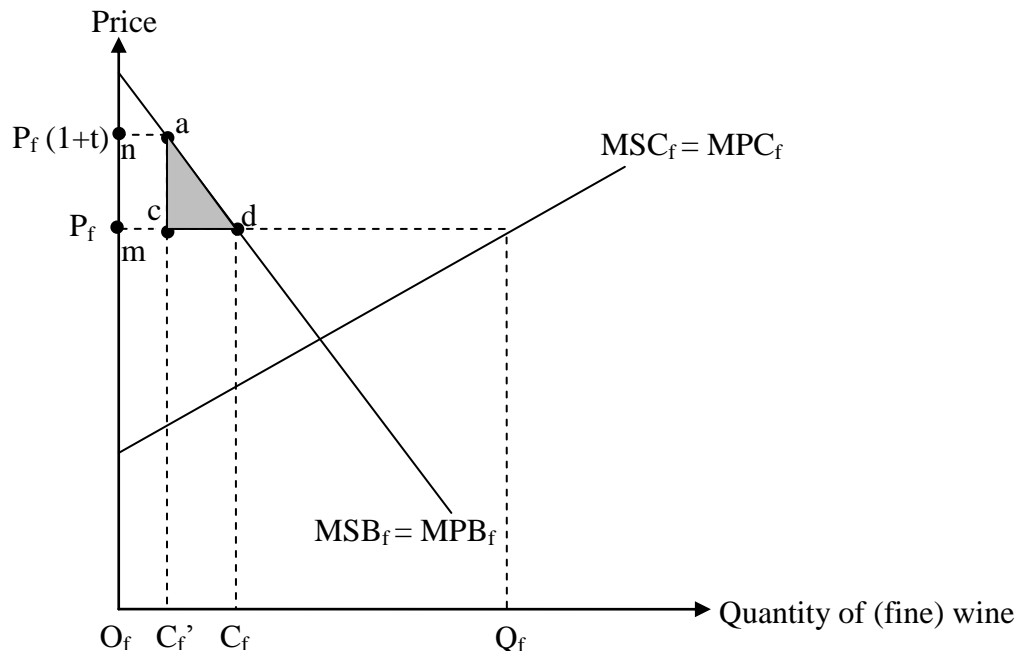
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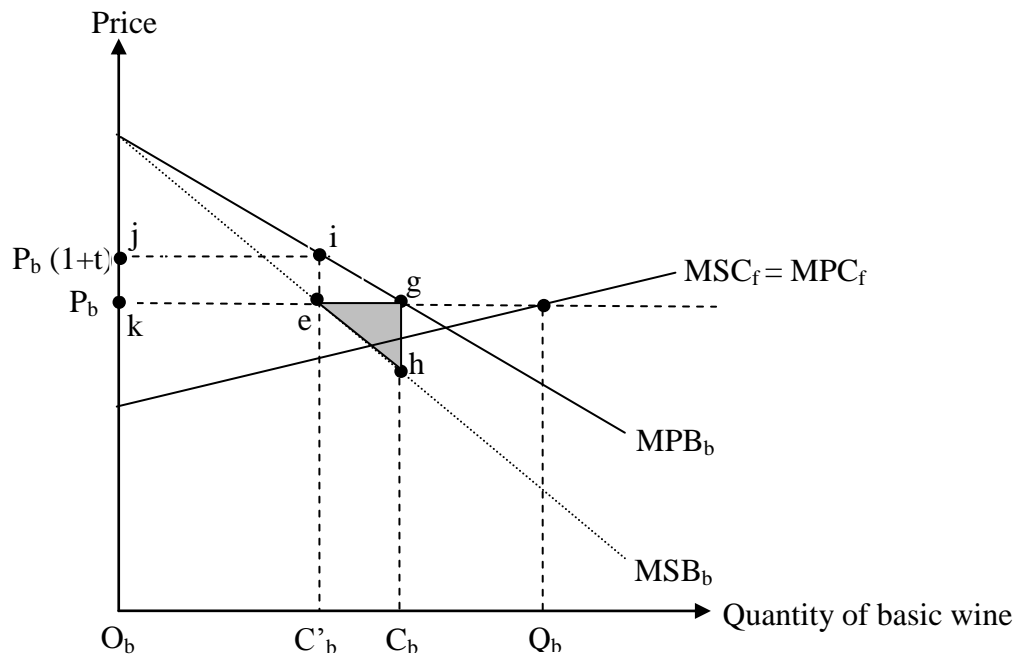
Figure 1: The market for wine in a small, open, wine-exporting economy

(a) (fine) wine with no externalities



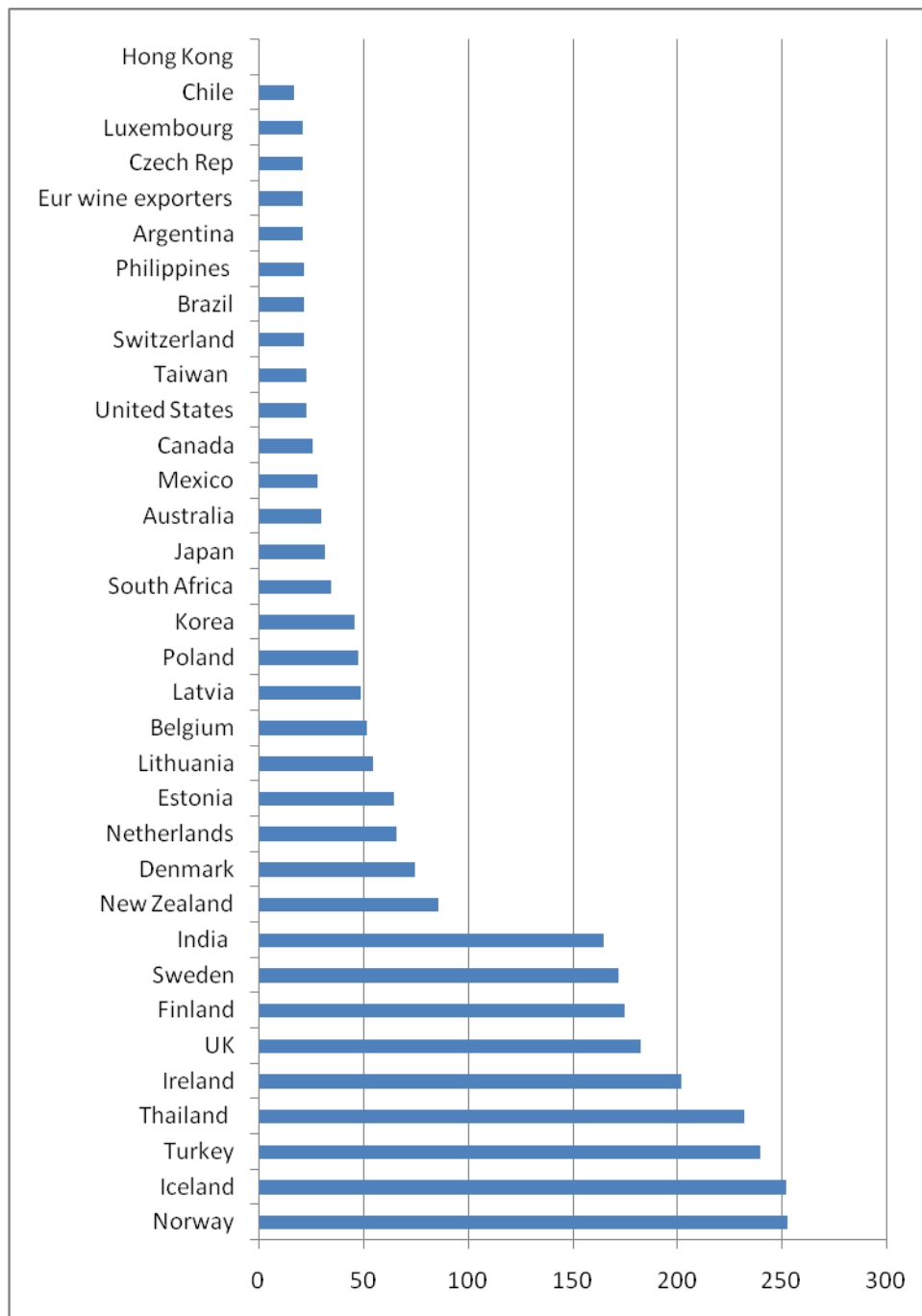
Source: Author's depiction

(b) basic wine with a negative consumption externality



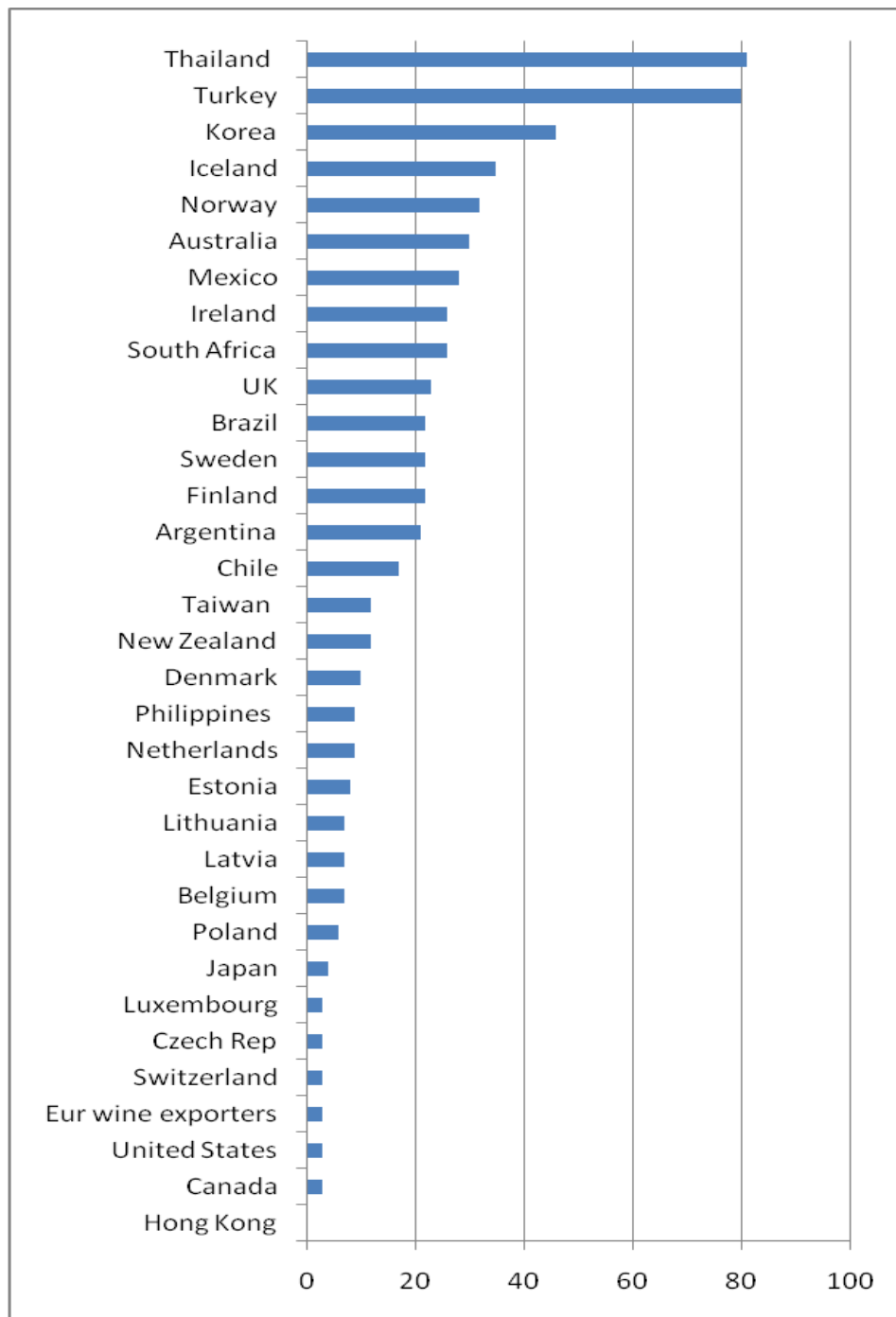
Source: Author's depiction

Figure 2: Ad valorem consumer tax equivalent of excise plus import taxes on non-premium wine, 2008
(percent)



Source: Table 3.

Figure 3: Ad valorem consumer tax equivalent of excise plus import taxes on super premium wine, 2008
(percent)



Source: Table 3.

Table 1: Ad valorem consumer tax equivalent of excise taxes on still wine, beer and spirits, July 2008^a

(as a percent of the wholesale pre-tax prices shown in column heads)

	Non-premium wine (A\$2.50/litre)	Commercial premium wine (A\$7.50/litre)	Super premium wine (A\$20/litre)	Beer (A\$2/litre)	Spirits (A\$15/litre)
New World net wine exporters					
Argentina	3	3	3	4	18
Australia	29	29	29	76	171
Canada	26	9	3	1	31
Chile	15	15	15	15	27
New Zealand	85	28	11	42	103
South Africa	10	3	1	0	24
United States	23	8	3	1	31
Unweighted average	27	11	9	10	39
European net wine exporters					
Austria	0	0	0	20	44
Bulgaria	0	0	0	8	25
France	2	1	0	0	64
Germany	0	0	0	8	57
Greece	0	0	0	11	48
Hungary	0	0	0	21	44
Italy	0	0	0	24	35
Portugal	0	0	0	3	43
Romania	0	0	0	7	30
Slovak Rep	0	0	0	15	41
Slovenia	0	0	0	0	31
Spain	0	0	0	1	37
Switzerland	0	0	0	na	55
Unweighted average	0	0	0	10	43

Table 1 (continued): Ad valorem consumer tax equivalent of excise taxes on still wine, beer and spirits, July 2008^a
(as a percent of the wholesale pre-tax prices shown in column heads)

	Non-premium wine (A\$2.50/litre)	Commercial premium wine (A\$7.50/litre)	Super premium wine (A\$20/litre)	Beer (A\$2 /litre)	Spirits (A\$15 /litre)
High-income country net wine importers					
Belgium	31	10	4	17	77
Czech Rep	0	0	0	9	49
Denmark	54	18	7	0	89
Estonia	44	15	5	0	57
Finland	154	51	19	1	143
Iceland	252	84	32	1	26
Ireland	180	60	23	1	173
Japan	32	<i>11</i>	4	0	<i>11</i>
Latvia	28	9	4	0	39
Lithuania	34	11	4	0	49
Luxembourg	0	0	0	8	46
Netherlands	45	15	6	0	66
Norway	253	84	32	0	202
Poland	27	9	3	18	60
Sweden	151	50	19	1	234
UK	162	54	20	1	119
Unweighted average	91	30	11	0	90
Developing country net wine importers					
Brazil	10	10	10	40	60
Hong Kong	0	0	0	0	100
India	15	5	2	0	1
Korea	33	33	33	94	94
Malaysia	204	68	26	6	26
Mexico	25	25	25	25	50
Philippines	15	5	2	1	25
Taiwan	13	4	2	2	23
Thailand	173	58	22	9	0
Turkey	<i>183</i>	<i>61</i>	23	63	<i>304</i>
Unweighted average	67	27	14	24	68

^a Tax rates in italics refer to January 2007. Wine and beer degree alcohol contents are assumed to be 12% and 4%, respectively; the absolute alcohol content for spirits is assumed to be 40%.

Source: Author's compilation based on Appendix Tables 1 and 2.

Table 2: Excise taxes on alcoholic beverages per litre of alcohol for still wine, beer and spirits, July 2008^a

(A\$ at the wholesale pre-tax prices shown in column heads)

	Non-premium wine (A\$2.50/litre)	Commercial premium wine (A\$7.50/litre)	Super premium wine (A\$20/litre)	Beer (A\$2/litre)	Spirits (A\$15/litre)
Memo: Unweighted average, high-income OECD countries	11.3	12.0	13.7	5.3	28.4
New World net wine exporters					
Argentina	0.6	1.9	5.0	2.0	6.8
Australia	6.0	18.1	48.3	38.0	64.1
Canada	5.4	5.6	5.0	0.5	11.6
Chile	3.1	9.4	25.0	7.5	10.1
New Zealand	17.7	17.5	18.3	21.0	38.6
South Africa	2.1	1.9	1.7	0.0	9.0
United States	4.8	5.0	5.0	0.5	11.6
Unweighted average	5.7	8.5	15.5	9.9	21.7
European net wine exporters					
Austria	0.0	0.0	0.0	10.0	16.5
Bulgaria	0.0	0.0	0.0	4.0	9.4
France	0.4	0.6	0.0	0.0	24.0
Germany	0.0	0.0	0.0	4.0	21.4
Greece	0.0	0.0	0.0	5.5	18.0
Hungary	0.0	0.0	0.0	10.5	16.5
Italy	0.0	0.0	0.0	12.0	13.1
Portugal	0.0	0.0	0.0	1.5	16.1
Romania	0.0	0.0	0.0	3.5	11.3
Slovak Rep	0.0	0.0	0.0	7.5	15.4
Slovenia	0.0	0.0	0.0	0.0	11.6
Spain	0.0	0.0	0.0	0.5	13.9
Switzerland	0.0	0.0	0.0	na	20.6
Unweighted average	0.0	0.0	0.0	4.9	16.0

Table 2 (continued): Excise taxes on alcoholic beverages per litre of alcohol for still wine, beer and spirits, July 2008^a

(A\$ at the wholesale pre-tax prices shown in column heads)

	Non- premium wine (A\$2.50/litre)	Commercial premium wine (A\$7.50/litre)	Super premium wine (A\$20/litre)	Beer (A\$2 /litre)	Spirits (A\$15 /litre)
High-income country net wine importers					
Belgium	6.5	6.3	6.7	8.5	28.9
Czech Rep	0.0	0.0	0.0	4.5	18.4
Denmark	11.3	11.3	11.7	0.0	33.4
Estonia	9.2	9.4	8.3	0.0	21.4
Finland	32.1	31.9	31.7	0.5	53.6
Iceland	52.5	52.5	53.3	0.5	9.8
Ireland	37.5	37.5	38.3	0.5	64.9
Japan	6.7	6.9	6.7	0.0	4.1
Latvia	5.8	5.6	6.7	0.0	14.6
Lithuania	7.1	6.9	6.7	0.0	18.4
Luxembourg	0.0	0.0	0.0	4.0	17.3
Netherlands	9.4	9.4	10.0	0.0	24.8
Norway	52.7	52.5	53.3	0.0	75.8
Poland	5.6	5.6	5.0	9.0	22.5
Sweden	31.5	31.3	31.7	0.5	87.8
UK	33.8	33.8	33.3	0.5	44.6
Unweighted average	18.8	18.8	19.0	1.8	33.8
Developing country net wine importers					
Brazil	2.1	6.3	16.7	20.0	22.5
Hong Kong	0.0	0.0	0.0	0.0	37.5
India	3.1	3.1	3.3	0.0	0.4
Korea	6.9	20.6	55.0	47.0	35.3
Malaysia	42.5	42.5	43.3	3.0	9.8
Mexico	5.2	15.6	41.7	12.5	18.8
Philippines	3.1	3.1	3.3	0.5	9.4
Taiwan	2.7	2.5	3.3	1.0	8.6
Thailand	36.0	36.3	36.7	4.5	0.0
Turkey	38.1	38.1	38.3	31.5	114.0
Unweighted average	14.0	16.8	24.2	12.0	25.6

^a Tax rates in italics refer to January 2007. Wine and beer degree alcohol contents are assumed to be 12% and 4%, respectively; the absolute alcohol content for spirits is assumed to be 40%.

Source: Author's compilation based on Appendix Tables 1-5.

Table 3: Ad valorem consumer tax equivalent of excise plus import taxes on alcoholic beverages, 2008^a

(percent)

	Non-premium wine (A\$2.50/litre)	Commercial premium wine (A\$7.50/litre)	Super premium wine (A\$20/litre)	Beer (A\$2/litre)	Spirits (A\$15/litre)
New World net wine exporters					
Argentina	21	21	21	17	31
Australia	30	30	30	76	171
Canada	26	9	3	1	31
Chile	17	17	17	16	28
New Zealand	86	29	12	42	103
South Africa	35	28	26	0	24
United States	23	8	3	1	31
Unweighted average	34	20	16	22	60
European net wine exporters					
Austria	21	7	3	20	44
Bulgaria	21	7	3	8	25
France	23	8	3	0	64
Germany	21	7	3	8	57
Greece	21	7	3	11	48
Hungary	21	7	3	21	44
Italy	21	7	3	24	35
Portugal	21	7	3	3	43
Romania	21	7	3	7	30
Slovak Rep	21	7	3	15	41
Slovenia	21	7	3	0	31
Spain	21	7	3	1	37
Switzerland	22	7	3	0	55
Unweighted average	21	7	3	10	43

Table 3 (continued): Ad valorem consumer tax equivalent of excise plus import taxes on alcoholic beverages, 2008^a
(percent)

	Non- premium wine (A\$2.50/litre)	Commercial premium wine (A\$7.50/litre)	Super premium wine (A\$20/litre)	Beer (A\$2 /litre)	Spirits (A\$15 /litre)
High-income country net wine importers					
Belgium	52	17	7	17	77
Czech Rep	21	7	3	9	49
Denmark	75	25	10	0	89
Estonia	65	22	8	0	57
Finland	175	58	22	1	143
Iceland	252	91	35	3	26
Ireland	202	60	26	1	173
Japan	32	11	4	0	12
Latvia	49	16	7	0	39
Lithuania	55	18	7	0	49
Luxembourg	21	7	3	8	46
Netherlands	66	22	9	0	66
Norway	253	84	32	0	202
Poland	48	16	6	18	60
Sweden	172	58	22	1	234
UK	183	61	23	1	119
Unweighted average	109	36	13	4	90
Developing country net wine importers					
Brazil	22	22	22	50	77
Hong Kong	0	0	0	0	100
India	165	155	152	100	151
Korea	46	46	46	124	114
Malaysia	na	na	na	na	na
Mexico	28	28	28	26	52
Philippines	22	12	9	10	35
Taiwan	23	14	12	2	23
Thailand	232	117	81	51	52
Turkey	240	118	80	63	305
Unweighted average	87	57	48	47	101

^a The most recent year available for tariffs is used if 2008 is not available. It is assumed that the tariff for wine in containers of more than 2 litres applies to non-premium wine and that the rate for smaller containers applies to the other wine types. The tariffs on imports into the EU-27 applies only to non-EU imports and so affects only a small volume of total imports for most member countries.

Source: Author's compilation based on Appendix Tables 1 and 7.

Appendix Table 1: Domestic taxation of still wine consumption, by country, 2005, 2007 and 2008

(excise per 9 litres of product, assuming 12% alcohol, if not an ad valorem (%) rate)

	2005-Jan			2007-Jan			2008-July		
	National currency	US dollars	Aust dollars	National currency	US dollars	Aust dollars	National currency	US dollars	Aust dollars
Europe and other high-income countries									
Australia	29%	29%	29%	29%	29%	29%	29%	29%	29%
Austria	0	0	0	0	0	0	0	0	0
Belgium	4.24	4.8	6.16	4.24	4.73	5.93	4.24	6.69	7.00
Bulgaria	0	0	0	0	0	0	0	0	0
Canada	4.61	3.63	4.66	5.6	4.66	5.85	na	na	na
Czech Rep.	0	0	0	0	0	0	0	0	0
Denmark	63.45	7.5	9.63	55.26	6.44	8.08	55.26	11.69	12.24
Estonia	na	na	na	na	na	na	93.60	9.44	9.88
Finland	19.08	20.39	26.17	19.08	19.69	24.69	20.97	33.09	34.64
France	0.31	0.34	0.44	0.31	0.34	0.42	0.31	0.48	0.51
Germany	0	0	0	0	0	0	0	0	0
Greece	0	0	0	0	0	0	0	0	0
Hungary	72	0.57	0.73	0	0	0	0	0	0
Iceland	4752	52.74	67.7	4 752.00	45.26	56.76	na	na	na
Ireland	24.57	24.33	31.23	24.57	24.33	30.51	24.57	38.77	40.58
Italy	0	0	0	0	0	0	0	0	0
Japan	634.25	4.77	6.12	720	5.81	7.28	na	na	na

Latvia	na	na	na	na	na	na	3.83	6.05	6.33
Lithuania	na	na	na	na	na	na	4.69	7.40	7.75
Luxembourg	0	0	0	0	0	0	0	0	0
Netherlands	5.31	5.78	7.42	5.31	5.93	7.44	6.17	9.73	10.19
New Zealand	20.33	14.53	18.65	21.54	15.19	19.05	na	na	na
Norway	389.88	41.13	52.79	403.92	45.44	56.98	na	na	na
Poland	12.24	2.96	3.8	12.24	6.44	8.08	12.24	5.76	6.03
Portugal	0	0	0	0	0	0	0	0	0
Romania	0	0	0	0	0	0	0	0	0
Russia									
Slovak Rep.	0	0	0	0	0	0	0	0	0
Slovenia	0	0	0	0	0	0	0	0	0
Spain	0	0	0	0	0	0	0	0	0
Sweden	198.72	21.32	27.37	198.72	21.69	27.21	194.22	32.41	33.93
Switzerland	0	0	0	0	0	0	na	na	na
Turkey	29.52	37.85	48.58	29.52	32.76	41.09	na	na	na
UK	14.71	23.77	30.51	14.71	22.56	28.3	17.49	34.85	36.48
United States	4.14	4.14	5.31	4.14	4.14	5.19	na	na	na

Appendix Table 1 (continued): Domestic taxation of still wine consumption, by country, 2005, 2007 and 2008

	2005-Jan			2007-Jan			2008-Dec		
	National currency	US dollars	Aust dollars	National currency	US dollars	Aust dollars	National currency	US dollars	Aust dollars
Developing countries									
Argentina							2.5%	2.5%	2.5%
Brazil							10%	10%	10%
Chile							15%	15%	15%
China							0.00	0.00	0.00
Hong Kong							0%	0%	0%
India							108.00	2.13	3.29
Indonesia									
Korea	33%	33%	33%	33%	33%	33%	na	na	na
Malaysia							108.00	29.77	45.93
Mexico	25%	25%	25%	25%	25%	25%	na	na	na
Philippines							108.00	2.22	3.42
Singapore							630.00	411.39	634.76
South Africa							15.44	1.50	2.31
Taiwan							63.00	1.89	2.92
Thailand							900.00	25.19	38.86

Sources: OECD, *Consumption Tax Trends*, Paris: OECD, 2006 and 2008; European Commission, *Excise Duty Tables: Part 1: Alcoholic Beverages*, Brussels: EC, 2008; <http://www.bir.gov.ph/taxcode/2041.htm>; http://www.kerala.gov.in/dept_excise/rates_duties.htm; www.mof.gov.sg/budget_2008/speech_p4/annexb-5.pdf; <http://www.excise.go.th/tax/eng-totaltax.html#e1>; http://www.customs.gov.my/index.php?option=com_docman&task=cat_view&gid=33&Itemid=191; <http://www.customs.gov.my/>

http://www.customs.gov.hk/eng/major_dutiable_freeport_e.html ; <http://www.sars.gov.za/home.asp?pid=4139>; <http://china-customs.com/customs-tax/22/>; <http://www.receita.fazenda.gov.br/aliquotas/DownloadArqTIPI.htm>; www.sii.cl; Administracion federal Ingresos Publicos(AFIP)

Appendix Table 2: Ad valorem equivalent of domestic consumer taxes on still wine, at two price points, 2005, 2007 and 2008
(as a percent of the wholesale pre-tax price)^a

	Non-premium wine (wholesale pre-tax price of A\$2.50/litre)			Commercial premium wine (wholesale pre-tax price of A\$7.50/litre)		
	2005-Jan	2007-Jan	2008-Jul	2005-Jan	2007-Jan	2008-Jul
Europe and other high-income countries						
Australia	29	29	29	29	29	29
Austria	0	0	0	0	0	0
Belgium	27	26	31	9	9	10
Bulgaria	0	0	0	0	0	0
Canada	21	26	na	7	9	na
Czech Rep.	0	0	0	0	0	0
Denmark	43	36	54	14	12	18
Estonia	na	na	44	na	na	15
Finland	116	110	154	39	37	51
France	2	2	2	1	1	1
Germany	0	0	0	0	0	0
Greece	0	0	0	0	0	0
Hungary	3	0	0	1	0	0
Iceland	301	252	na	100	84	na
Ireland	139	136	180	46	45	60
Italy	0	0	0	0	0	0
Japan	27	32	na	9	11	na
Latvia	na	na	28	na	na	9

Appendix Table 2 (continued): Ad valorem equivalent of domestic consumer taxes on still wine, at two price points, 2005, 2007 and 2008

(as a percent of the wholesale pre-tax price)^a

Lithuania	na	na	34	na	na	11
Luxembourg	0	0	0	0	0	0
Netherlands	33	33	45	11	11	15
New Zealand	83	85	na	28	28	na
Norway	235	253	na	78	84	na
Poland	17	36	27	6	12	9
Portugal	0	0	0	0	0	0
Romania	0	0	0	0	0	0
Russia	0	0	0	0	0	0
Slovak Rep.	0	0	0	0	0	0
Slovenia	0	0	0	0	0	0
Spain	0	0	0	0	0	0
Sweden	122	121	151	41	40	50
Switzerland	0	0	na	0	0	na
Turkey	216	183	na	72	61	na
UK	136	126	162	45	42	54
United States	24	23	na	8	8	na

Appendix Table 2 (continued): Ad valorem equivalent of domestic consumer taxes on still wine, at two price points, 2005, 2007 and 2008

(as a percent of the wholesale pre-tax price)^a

	Non-premium wine (wholesale pre-tax price of A\$2.50/litre)			Commercial premium wine (wholesale pre-tax price of A\$7.50/litre)		
	2005-Jan	2007-Jan	2008-Dec	2005-Jan	2007-Jan	2008-Dec
<i>Argentina</i>			3			3
<i>Brazil</i>			10			10
<i>Chile</i>			15			15
China			0			0
<i>Hong Kong</i>			0			0
India			15			5
Indonesia						
Korea	33	33	na	33	33	na
Malaysia	0	0	204	0	0	68
Mexico	25	25	na	25	25	na
Philippines			15			5
Singapore			2821			940
South Africa			10			3
Taiwan			13			4
Thailand			173			58

^a \$2.50/litre wholesale in Australia with a 29% excise tax (WET), a 33% mark-up to retail and 10% GST implies a retail price of \$18/90 for a 4-litre cask; \$7.50 (or \$20)/litre wholesale in Australia with a 29% excise tax (WET), a 50% mark-up to retail and 10% GST implies a retail price of \$12 (or \$31.90) for a 750ml bottle. Source: Author's calculation based on Table 1.

Appendix Table 3: Domestic taxation of sparkling wine consumption, by country, 2005, 2007 and 2008
(excise per 9 litres of product, assuming 12% alcohol, if not an ad valorem rate)

EU and Other HIC	2005			2007			2008-July		
	National currency	US dollars	Aust dollars	National currency	US dollars	Aust dollars	National currency	US dollars	Aust dollars
Australia	29%	29%	29%	29%	29%	29%	29%	29%	29%
Austria	12.96	14.27	18.32	0	0	0	0	0	0
Belgium	14.50	16.42	21.08	14.50	16.19	20.30	14.50	22.88	23.95
Bulgaria	0	0	0	0	0	0	0	0	0
Canada	4.61	3.63	4.66	5.60	4.67	5.85	na	na	na
Czech Rep.	210.60	14.42	18.52	210.60	14.73	18.47	210.60	13.96	14.61
Denmark	94.95	11.22	14.41	82.80	9.65	12.10	82.80	17.52	18.34
Estonia	na	na	na	na	na	na	93.60	9.44	9.88
Finland	19.08	20.39	26.17	19.08	19.69	24.69	20.97	33.09	34.64
France	0.76	0.84	1.08	0.76	0.83	1.04	0.76	1.19	1.25
Germany	12.24	13.03	16.73	12.24	13.88	17.40	12.24	19.31	20.22
Greece	0	0	0	0	0	0	0	0	0
Hungary	820.80	6.51	8.36	1099.80	8.46	10.61	1098.00	7.35	7.69
Iceland	4633.20	51.42	66.01	4633.20	44.13	55.34	na	na	na
Ireland	49.14	48.65	62.46	49.14	48.65	61.02	49.14	77.54	81.17
Italy	0	0	0	0	0	0	0	0	0
Japan	634.25	4.77	6.12	720.00	5.81	7.28	na	na	na
Latvia	na	na	na	na	na	na	3.83	6.05	6.33
Lithuania	na	na	na	na	na	na	4.69	7.40	7.75

Appendix Table 3 (continued): Domestic taxation of sparkling wine consumption, by country, 2005, 2007 and 2008

(excise per 9 litres of product, assuming 12% alcohol, if not an ad valorem rate)

Luxembourg	0	0	0	0	0	0	0	0	0
Netherlands	18.11	19.71	25.30	18.11	20.24	25.38	21.03	33.19	34.74
New Zealand	20.33	14.53	18.65	21.54	15.19	19.05	na	na	na
Norway	389.88	41.13	52.79	403.92	45.44	56.98	na	na	na
Poland	12.24	2.96	3.80	12.24	6.44	8.08	12.24	5.76	6.03
Portugal	0	0	0	0	0	0	0	0	0
Romania	na	na	na	na	na	na	10.29	4.45	4.66
Russia									
Slovak Rep.	216.00	12.56	16.12	216.00	12.49	15.66	216.00	11.26	11.79
Slovenia	0	0	0	0	0	0	0	0	0
Spain	0	0	0	0	0	0	0	0	0
Sweden	198.72	21.32	27.37	198.72	21.69	27.21	194.22	32.41	33.93
Switzerland	0	0	0	0	0	0	na	na	na
Turkey	100.91	129.37	166.07	100.91	112.00	140.45	na	na	na
UK	19.85	32.07	41.16	19.85	30.44	38.18	22.40	44.63	46.72
United States	10.17	10.17	13.06	10.17	10.17	12.75	na	na	na

Appendix Table 3 (continued): Domestic taxation of sparkling wine consumption, by country, 2005, 2007 and 2008

(excise per 9 litres of product, assuming 12% alcohol, if not an ad valorem rate)

Developing countries	2005			2007			2008-Dec		
	National currency	US dollars	Aust dollars	National currency	US dollars	Aust dollars	National currency	US dollars	Aust dollars
Argentina (b)							5%	5%	5%
Brazil							20%	20%	20%
Chile							15%	15%	15%
China							0	0	0
Hong Kong							0%	0%	0%
India							108.00	2.13	3.29
Indonesia									
Korea	33%	33%	33%	33%	33%	33%	na	na	na
Malaysia							306.00	84.34	130.14
Mexico	25%	25%	25%	25%	25%	25%	na	na	na
Philippines (a)							900.00	18.46	28.49
Singapore							630.00	411.39	634.76
South Africa							46.09	4.47	6.90
Taiwan							63.00	1.89	2.92
Thailand							900.00	25.19	38.86

Sources: OECD, *Consumption Tax Trends*, Paris: OECD, 2006 and 2008; European Commission, *Excise Duty Tables: Part 1: Alcoholic Beverages*, Brussels: EC, 2008; <http://www.bir.gov.ph/taxcode/2041.htm>; http://www.kerala.gov.in/dept_excise/rates_duties.htm ; www.mof.gov.sg/budget_2008/speech_p4/annexb-5.pdf; <http://www.excise.go.th/tax/eng-totaltax.html#e1>; http://www.customs.gov.my/index.php?option=com_docman&task=cat_view&gid=33&Itemid=191; <http://www.customs.gov.my/>; http://www.customs.gov.hk/eng/major_dutiable_freeport_e.html ; <http://www.sars.gov.za/home.asp?pid=4139>; <http://china-customs.com/customs-tax/22/>; <http://www.receita.fazenda.gov.br/aliquotas/DownloadArqTIPI.htm>; www.sii.cl; Administracion federal Ingresos Publicos(AFIP) Notes: (a) Tax for a bottle worth of more than 500 pesos is 300 pesos.

Appendix Table 4: Domestic taxation of regular-strength beer consumption, by country, 2005, 2007 and 2008
 (excise per hectolitre per degree alcohol, if not an ad valorem (%) rate)

EU and other high-income countries	2005			2007			2008 -July		
	National currency	US dollars	Aust dollars	National currency	US dollars	Aust dollars	National currency	US dollars	Aust dollars
Australia	3553	2768	3553	3790	3021	3790	na	na	na
Austria ^f									
Belgium ^f									
Bulgaria	na	na	na	na	na	na			
Canada	28	22	28	31	26	33	na	na	na
Czech Rep. ^h									
Denmark	58	7	9	51	6	7	51	11	11
Estonia	na	na	na	na	na	na	77	8	8
Finland	19	21	27	19	20	25	21	34	35
France	3	3	4	3	3	4	3	4	4
Germany ^e									
Greece ^e									
Hungary ^g									
Iceland	5870	65	84	5870	56	70	na	na	na
Ireland	20	20	25	20	20	25	20	31	33
Italy ^f									
Japan ^a	888	9	11	880	7	9	na	na	na
Latvia	na	na	na	na	na	na	2	3	3

Appendix Table 4 (continued): Domestic taxation of regular-strength beer consumption, by country, 2005, 2007 and 2008

(excise per hectolitre per degree alcohol, if not an ad valorem (%) rate)

Lithuania	na	na	na	na	na	na	2	4	4
Luxembourg ^e									
Netherlands	0.92	1	2	1	1	2			
New Zealand	2259	1615	2073	2394	1688	2118	na	na	na
Norway ^a	65	11	14	67	11	13	na	na	na
Poland ^c									
Portugal ^a	75	101	130	79	104	131			
Romania	na	na	na	na	na	na			
Russia									
Slovak Rep. ^d									
Slovenia	na	na	na	na	na	na	7	11	11
Spain ^a	34	46	59	40	53	66			
Sweden	147	16	20	147	16	20	166	28	29
Switzerland ^b									
Turkey	63.3%	63.3%	63.3%	63.3%	63.3%	63.3%	na	na	na
UK	13	20	26	13	19	24	15	30	31
United States	21	21	27	21	21	26	na	na	na

Appendix Table 4 (continued): Domestic taxation of regular-strength beer consumption, by country, 2005, 2007 and 2008

(excise per hectolitre per degree alcohol, if not an ad valorem (%) rate)

Developing countries	2005			2007			2008 -Dec		
	National currency	US dollars	Aust dollars	National currency	US dollars	Aust dollars	National currency	US dollars	Aust dollars
Argentina							4%	4%	4%
Brazil							40%	40%	40%
Chile							15%	15%	15%
China							0	0	0
Hong Kong							0%	0%	0%
India							200	3.952	6.09782
Indonesia									
Korea	117%	117%	117%	93.60%	93.60%	93.60%	na	na	na
Malaysia							740	203.963	314.709
Mexico	25%	25%	25%	25%	25%	25%	na	na	na
Philippines (a)							1215	24.9234	38.4562
Singapore							4800	3134.39	4836.28
South Africa							7.82	0.7584	1.17018
Taiwan							2600	77.9844	120.328
Thailand							10000	279.838	431.782

^a Assuming 4% alcohol

^b SF24 per degree Plato (=US\$13.98 in 2005, US\$1.24 in 2007)

^c PLN7 per degree Plato (=US\$1.66 in 2005, US\$3.61 in 2007, US\$ 3.23 in 2008)

^d SKK50 per degree Plato (=US\$2.91 in 2005, US\$2.89 in 2007, US\$ 2.61 in 2008)

^e Euro 1 per degree Plato (=US\$0.84 in 2005, US\$0.89 in 2007, US \$ 1.78 in 2008)

^f Euro 2 per degree Plato (=US\$2.29 in 2005, US\$2.29 in 2007, US\$ 3.16 in 2008)

^g 420 per degree Plato in 2005, 540 in 2007, 540 in 2008 (=US\$3.33 in 2005, US\$4.15 in 2007, US\$ 3.61 in 2008)

^h CZK24 per degree Plato (=US\$1.64 in 2005, US\$1.68 in 2007, US\$ 1.59 in 2008)

Sources: OECD, *Consumption Tax Trends*, Paris: OECD, 2006 and 2008; European Commission, *Excise Duty Tables: Part 1: Alcoholic Beverages*, Brussels: EC, 2008; <http://www.bir.gov.ph/taxcode/2041.htm>; http://www.kerala.gov.in/dept_excise/rates_duties.htm ; www.mof.gov.sg/budget_2008/speech_p4/annexb-5.pdf; <http://www.excise.go.th/tax/eng-totaltax.html#e1>; http://www.customs.gov.my/index.php?option=com_docman&task=cat_view&gid=33&Itemid=191; <http://www.customs.gov.my/>; http://www.customs.gov.hk/eng/major_dutiable_freeport_e.html ; <http://www.sars.gov.za/home.asp?pid=4139>; <http://china-customs.com/customs-tax/22/>; <http://www.receita.fazenda.gov.br/aliquotas/DownloadArqTIPI.htm>; www.sii.cl; Administracion federal Ingresos Publicos(AFIP)

Notes: (a) If the price per litre is less than 14.50 pesos, tax is 6.15 pesos; if the price is 14.50- 22 pesos, the tax is 9.15 pesos.

Appendix Table 5: Domestic taxation of alcoholic spirits consumption, 2005, 2007 and 2008

(excise per hectolitre of absolute alcohol, if not an ad valorem (%) rate)

EU and other high-income countries	2005			2007			2008-July		
	National currency	US dollars	Aust dollars	National currency	US dollars	Aust dollars	National currency	US dollars	Aust dollars
Australia	6020	4690	6020	6421	5120	6421	na	na	na
Austria	1000	1101	1414	1000	1101	1381	1000	1578	1652
Belgium	1661	1881	2415	1660	1880	2358	1752	2765	2894
Bulgaria	na	na	na	na	na	na	1100	887	929
Canada	1107	871	1119	1170	921	1155	na	na	na
Czech Rep.	26500	1815	2330	26500	1815	2276	26500	1756	1838
Denmark	15000	1773	2276	15000	1773	2224	15000	3174	3322
Estonia	na	na	na	na	na	na	20200	2037	2132
Finland	2825	3018	3874	2825	3018	3785	3250	5128	5368
France	1450	1617	2075	1450	1616	2027	1450	2288	2395
Germany	1303	1388	1781	1303	1388	1740	1303	2056	2152
Greece	908	1303	1672	1090	1564	1961	1090	1720	1800
Hungary	192000	1524	1956	236000	1873	2349	236000	1579	1653
Iceland	70780	786	1008	70780	786	985	na	na	na
Ireland	3925	3886	4989	3925	3886	4874	3925	6193	6483
Italy	731	871	1118	800	954	1196	800	1262	1321
Japan	40900 ^a	398	511	40900 ^a	342	429	na	na	na
Latvia	na	na	na	na	na	na	895	1412	1478
Lithuania	na	na	na	na	na	na	1112	1755	1837

Appendix Table 5 (continued): Domestic taxation of alcoholic spirits consumption, 2005, 2007 and 2008
(excise per hectolitre of absolute alcohol, if not an ad valorem (%) rate)

Luxembourg	1041	1058	1358	1041	1058	1327	1041	1643	1720
Netherlands	1775	1931	2479	1504	1637	2052	1504	2373	2484
New Zealand	4115	2941	3776	4359	3074	3855	na	na	na
Norway	55400	5844	7502	57400	6055	7593	na	na	na
Poland	4550	1099	1411	4550	1099	1378	4550	2141	2241
Portugal	916	501	643	957	523	656	977	1541	1614
Romania	na	na	na	na	na	na	2517	1090	1141
Russia							150%	150%	150%
Slovak Rep.	25000	1453	1866	28300	1645	2063	28300	1475	1544
Slovenia	na	na	na	na	na	na	695	1096	1148
Spain	755	983	1262	830	1081	1356	830	1310	1371
Sweden	50141	5380	6906	50141	5380	6747	50141	8368	8759
Switzerland	2900	1638	2103	2900	1638	2055	na	na	na
Turkey	7093	9093	11673	7093	9093	11403	na	na	na
UK	1956	3160	4056	1956	3160	3963	2135	4255	4454
United States	923	923	1185	923	923	1158	na	na	na

Appendix Table 5 (continued): Domestic taxation of alcoholic spirits consumption, 2005, 2007 and 2008
(excise per hectolitre of absolute alcohol, if not an ad valorem (%) rate)

Developing countries	2005			2007			2008-Dec		
	National currency	US dollars	Aust dollars	National currency	US dollars	Aust dollars	National currency	US dollars	Aust dollars
Argentina ^b							18%	18%	18%
Brazil							60%	60%	60%
Chile							27%	27%	27%
China							0	0	0
Hong Kong							100%	100%	100%
India							1550	31	47
Indonesia									
Korea	93.60%	93.60%	93.60%	93.60%	93.6%	93.6%	na	na	na
Malaysia							2250	620	957
Mexico	50%	50%	50%	50%	50%	50%	na	na	na
Philippines ^c							30000	615	950
Singapore							7000	4571	7053
South Africa							6101	592	913
Taiwan							18500	555	856
Thailand							100	3	4

^a For whisky and brandy (40% vol.), otherwise Y36,719 for 37% vol. (spirits) or 24810 for 25% vol. (shochu)

^b For whisky, 30%

^c Tax for a bottle worth of less than 250 pesos is 75 pesos; a bottle worth of 250-675 pesos is 150 pesos.

Sources: OECD, *Consumption Tax Trends*, Paris: OECD, 2006 and 2008; European Commission, *Excise Duty Tables: Part 1: Alcoholic Beverages*, Brussels: EC, 2008; <http://www.bir.gov.ph/taxcode/2041.htm>; http://www.kerala.gov.in/dept_excise/rates_duties.htm ; www.mof.gov.sg/budget_2008/speech_p4/annexb-5.pdf; <http://www.excise.go.th/tax/eng-totaltax.html#e1>; http://www.customs.gov.my/index.php?option=com_docman&task=cat_view&gid=33&Itemid=191; <http://www.customs.gov.my/> http://www.customs.gov.hk/eng/major_dutiable_freeport_e.html ; <http://www.sars.gov.za/home.asp?pid=4139>; <http://china-customs.com/customs-tax/22/>; <http://www.receita.fazenda.gov.br/aliquotas/DownloadArqTIPI.htm>; www.sii.cl; Administracion federal Ingresos Publicos(AFIP)

Appendix Table 6: Ad valorem consumer tax equivalent of excise taxes on sparkling wine, 2005, 2007 and 2008^a

(as a percent of the wholesale pre-tax prices shown in column heads)

High-income countries	Commercial premium sparkling wine (A\$ 7.50/litre)			Super premium sparkling wine (A\$25/litre)		
	2005	2007	2008	2005	2007	2008
Australia	29	29	29	29	29	29
Austria	27	0	0	8	0	0
Belgium	31	30	35	9	9	11
Bulgaria	0	0	0	0	0	0
Canada	7	9	na	2	3	na
Czech Rep.	27	27	22	8	8	6
Denmark	21	18	27	6	5	8
Estonia	na	na	15	na	na	4
Finland	39	37	51	12	11	15
France	2	2	2	0	0	1
Germany	25	26	30	7	8	9
Greece	0	0	0	0	0	0
Hungary	12	16	11	4	5	3
Iceland	98	82	na	29	25	na
Ireland	93	90	120	28	27	36
Italy	0	0	0	0	0	0
Japan	9	11	na	3	3	na
Latvia	na	na	9	na	na	3
Lithuania	na	na	11	na	na	3
Luxembourg	0	0	0	0	0	0
Netherlands	37	38	51	11	11	15
New Zealand	28	28	na	8	8	na
Norway	78	84	na	23	25	na
Poland	6	12	9	2	4	3
Portugal	0	0	0	0	0	0
Romania	na	na	7	na	na	2
Russia	0	0	0	0	0	0
Slovak Rep.	24	23	17	7	7	5
Slovenia	0	0	0	0	0	0
Spain	0	0	0	0	0	0
Sweden	41	40	50	12	12	15
Switzerland	0	0	na	0	0	na
Turkey	246	208	na	74	62	na
UK	61	57	69	18	17	21
United States	19	19	na	6	6	na

Appendix Table 6 (continued): Ad valorem consumer tax equivalent of excise taxes on sparkling wine, 2005, 2007 and 2008

(as a percent of the wholesale pre-tax prices shown in column heads)

Developing countries	Commercial premium sparkling wine (A\$ 7.50/litre)			Super premium sparkling wine (A\$25/litre)		
	2005	2007	2008	2005	2007	2008
Brazil			20			20
Chile			15			15
China			0			0
Hong Kong			0			0
India			5			1
Indonesia						
Korea	33	33	na	33	33	na
Malaysia			193			58
Mexico	25	25	na	25	25	na
Philippines			42			13
Singapore			940			282
South Africa			10			3
Taiwan			4			1
Thailand			58			17

^a Sparkling wine degree alcohol content is assumed to be 12%

Source: Author's compilation based on Appendix Table 3 above.

Appendix Table 7: Ad valorem consumer tax equivalent of import taxes on alcoholic beverages, 2008^a

(percent)

	Year (if not 2008)	Beer (HS 2203)	Sparkling wine (HS 220410)	Still wine (HS 220421)	Still wine, bulk (HS 220421)	Spirits (HS2208)
New World net wine exporters						
Argentina		13.1	20.0	17.9	20.0	13.2
Australia		0.0	2.4	0.7	0.5	0.0
Canada		0.0	0.0	0.0	0.0	0.0
Chile		1.0	1.3	1.5	2.0	1.4
New Zealand		0.0	2.9	0.9	1.6	0.5
South Africa		0.1	25.0	25.0	25.0	0.0
United States		0.0	0.0	0.0	0.0	0.0
Unweighted average		2.0	7.4	6.6	7.0	2.2
European net wine exporters						
Austria		0	0	3.9	15.5	0
Bulgaria		0	0	3.9	15.5	0
France		0	0	3.9	15.5	0
Germany		0	0	3.9	15.5	0
Greece		0	0	3.9	15.5	0
Hungary		0	0	3.9	15.5	0
Italy		0	0	3.9	15.5	0
Portugal		0	0	3.9	15.5	0
Romania		0	0	3.9	15.5	0
Slovak Rep		0	0	3.9	15.5	0
Slovenia		0	0	3.9	15.5	0
Spain		0	0	3.9	15.5	0
Switzerland		0	0	25.5	60.4	0
Unweighted average		0	0	5.6	19.0	0

Appendix Table 7 (continued): Ad valorem consumer tax equivalent of import taxes on alcoholic beverages, 2008^a
(percent)

	Year (if not 2008)	Beer (HS 2203)	Sparkling wine (HS 220410)	Still wine, <2 litres (HS 220421)	Still wine, bulk (HS 220421)	Spirits (HS2208)
High-income country net wine importers						
Belgium		0	0	3.9	15.5	0
Czech Rep		0	0	3.9	15.5	0
Denmark		0	0	3.9	15.5	0
Estonia		0	0	3.9	15.5	0
Finland		0	0	3.9	15.5	0
Iceland		1.6	0	0.5	0.5	0
Ireland		0	0	3.9	15.5	0
Japan		0	0	0.0	0.0	0.7
Latvia		0	0	3.9	15.5	0
Lithuania		0	0	3.9	15.5	0
Luxembourg		0	0	3.9	15.5	0
Netherlands		0	0	3.9	15.5	0
Norway		0	0	0.0	0.0	0
Poland		0	0	3.9	15.5	0
Sweden		0	0	3.9	15.5	0
UK		0	0	3.9	15.5	0
Unweighted average		0.1	0.0	0.0	12.6	0.0
Developing country net wine importers						
Brazil		9.8	16.9	12.3	17.7	16.9
Hong Kong		0.0	0.0	0.0	0.9	0.0
India		100.0	150.0	150.0	150.0	150.0
Korea	2007	30.0	15.0	13.2	13.2	19.9
Malaysia		na	na	na	na	na
Mexico		0.7	1.3	3.1	2.7	2.2
Philippines	2007	8.7	4.6	6.9	6.9	10.3
Taiwan		0.0	20.0	10.0	10.0	0.4
Thailand	2006	42.5	54.0	59.2	59.2	52.1
Turkey		0.0	50.6	57.2	50.0	0.6
Unweighted average		21.3	34.7	34.7	34.5	28.0

^a The most recent year available, if it is not 2008, is shown in column 1. The conversion from a specific to an ad valorem rate is calculated at the weighted average price of imports by UNCTAD as part of their TRAINS database input into WITS.

Source: World Bank and UNCTAD (2009)

Appendix Table 8: Value added tax rate, by country, 2005, 2007 and 2008
(percent)

EU and other high-income countries	2005	2007	2008
Australia	10	10	10
Austria	20	20	20
Belgium	21	21	21
Bulgaria	na	na	20
Canada	7 or 15	6 or 14	na
Czech Rep.	19	19	19
Denmark	25	25	25
Estonia	na	na	18
Finland	22	22	22
France	20	20	20
Germany	16	19	19
Greece	18	19	19
Hungary	25	20	20
Iceland	25	25	na
Ireland	21	21	21
Italy	20	20	20
Japan	5	5	na
Latvia	na	na	18
Lithuania	na	na	18
Luxembourg	15	15	15
Netherlands	19	19	19
New Zealand	13	13	na
Norway	25	25	na
Poland	22	22	22
Portugal	19	21	21
Romania	na	na	19
Slovak Rep.	19	19	19
Slovenia	na	na	20
Spain	16	16	16
Sweden	25	25	25
Switzerland	8	8	na
Turkey	18	18	na
UK	18	18	18
United States	0	0	0

Sources: OECD, *Consumption Tax Trends*, Paris: OECD, 2006 and 2008; European Commission, *Excise Duty Tables: Part 1: Alcoholic Beverages*, Brussels: EC, 2008

Appendix Table 8 (continued): Value added tax rate, by country, 2005, 2007 and 2008

(percent)

Developing countries	2008
Argentina (b)	21
Brazil	12
Chile	19
China	17
Hong Kong	na
India	12.5
Indonesia	10
Korea	10
Malaysia	5
Mexico	15
Philippines (a)	12
Singapore	7
South Africa	14
Taiwan	na
Thailand	7

Source: http://en.wikipedia.org/wiki/Value_added_tax#Non-EU_countries

Appendix Table 9: Foreign exchange rates, by country, 2005, 2007 and 2008
(US \$ per national currency)

	Jan. 2005	Jan. 2007	2008-July	2008-Dec
Australia	0.779	0.797	0.955	0.648
Argentina				0.296
Austria	1.348	1.317	1.578	
Belgium	1.348	1.317	1.578	
Bulgaria			0.807	
Brazil				0.423
Canada	0.826	0.855		
China				0.145
Chile				0.001
Czech Rep.	0.044	0.048	0.066	
Denmark	0.181	0.177	0.212	
Estonia			0.101	
Finland	1.348	1.317	1.578	
France	1.348	1.317	1.578	
Hong Kong				0.129
Germany	1.348	1.317	1.578	
Greece	1.348	1.317	1.578	
Hungary	0.005	0.005	0.007	
Iceland	0.016	0.014		
India				0.020
Indonesia				0.000
Ireland	1.348	1.317	1.578	
Italy	1.348	1.317	1.578	
Japan	0.01	0.008		
Korea	0.001	0.001		
Latvia			1.578	
Lithuania			1.578	
Luxembourg	1.348	1.317	1.578	
Malaysia				0.276
Mexico	0.089	0.093		
Netherlands	1.348	1.317	1.578	
New Zealand	0.715	0.705		
Norway	0.164	0.16		
Philippines				0.021
Poland	0.331	0.344	0.470	
Portugal	1.348	1.317	1.578	
Romania			0.433	

Appendix Table 9: Foreign exchange rates, by country, 2005, 2007 and 2008

(US \$ per national currency)

	Jan. 2005	Jan. 2007	2008-July	2008-Dec
Singapore				0.653
Slovenia			1.578	
Slovak Rep.	0.035	0.038	0.052	
South Africa				0.097
Spain	1.348	1.317	1.578	
Sweden	0.150	0.146	0.167	
Switzerland	0.872	0.815		
Thailand				0.028
Taiwan				0.030
Turkey	0.742	0.709		
UK	1.906	1.950	1.993	
US	1.000	1.0000	1.000	1.000

Source: www.xe.com