Spirit Drinks & Over-Taxation

Data processing : SEAOP

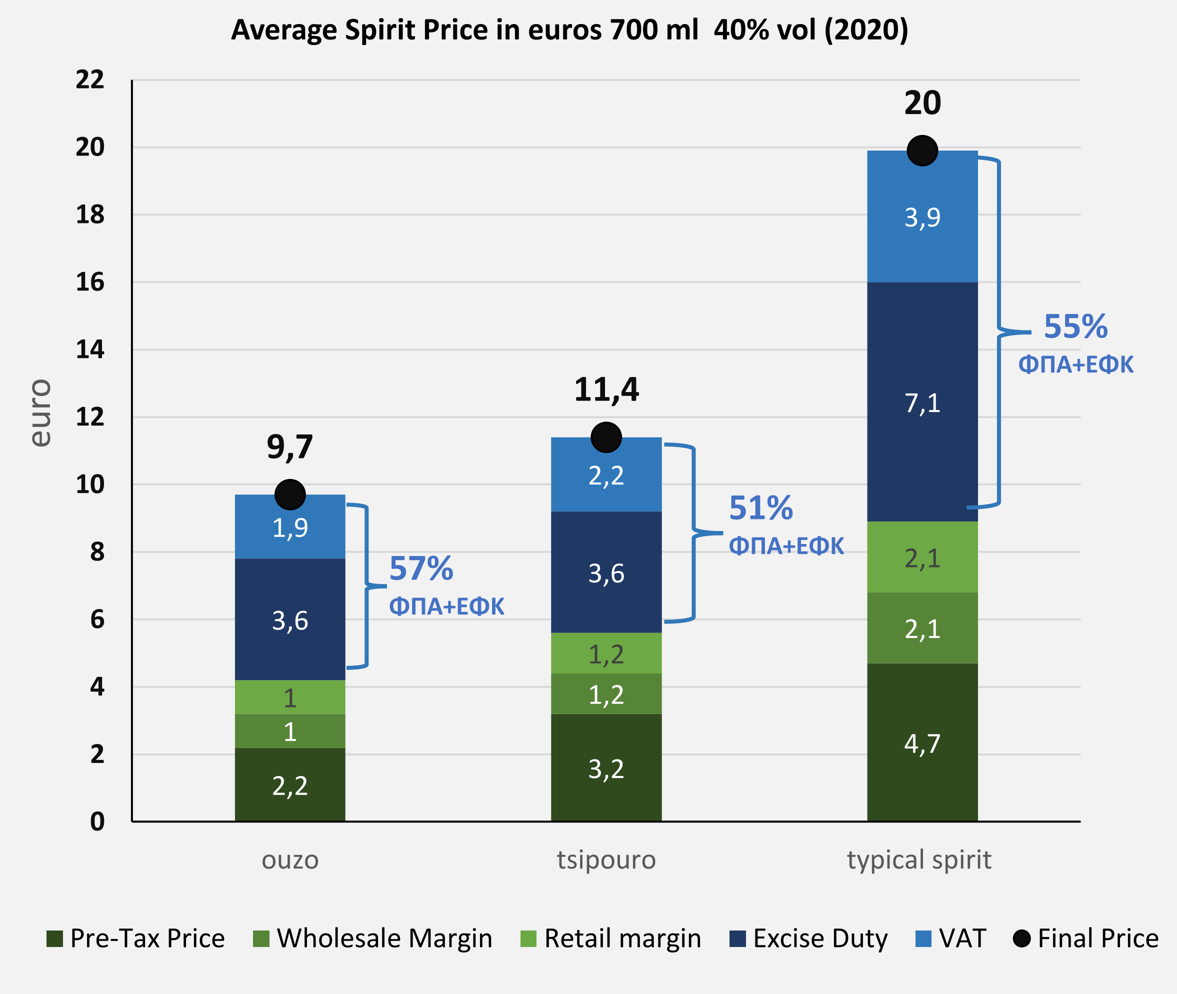
July 2022

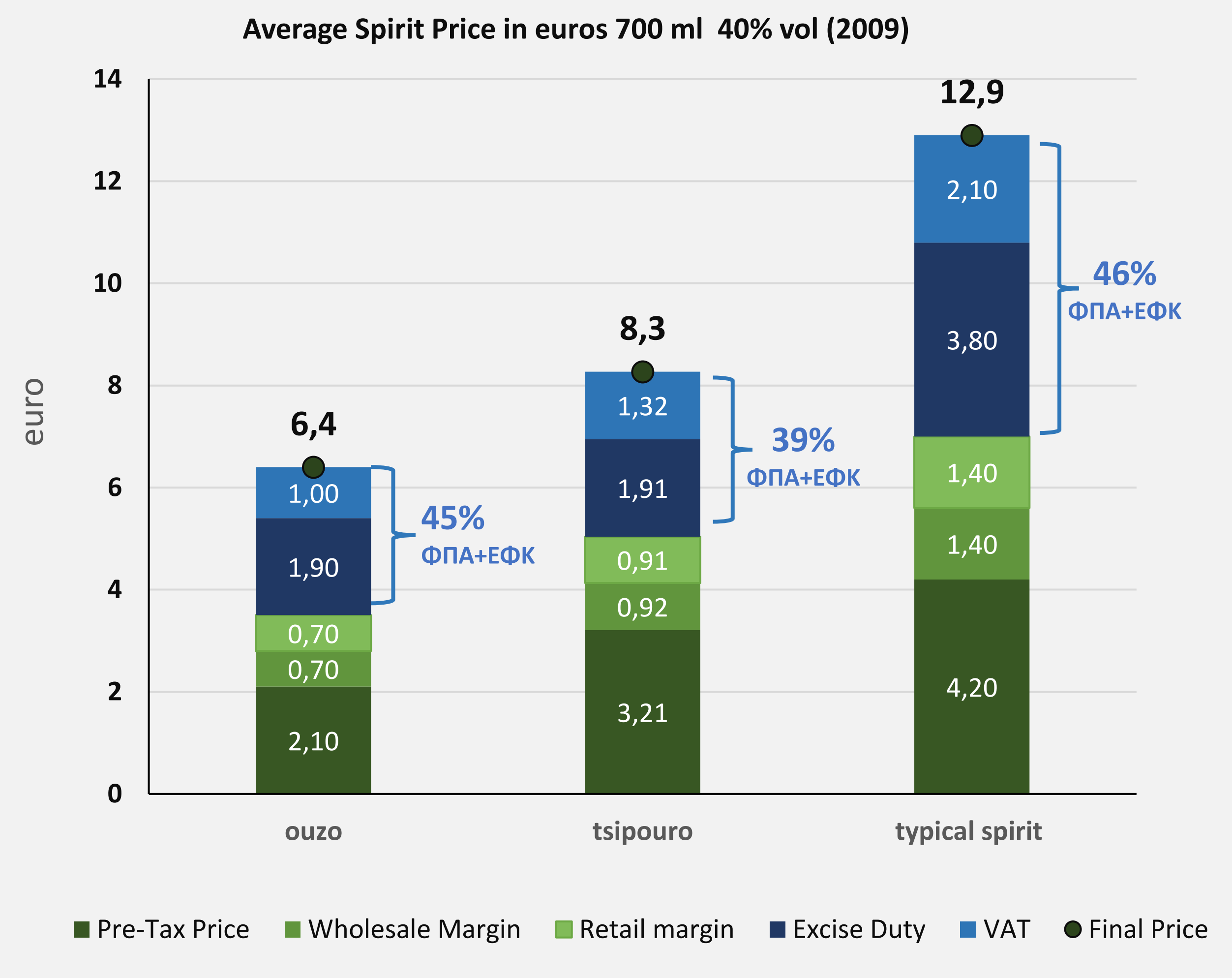
SEAOP

GREEK FEDERATION OF SPIRITS PRODUCERS

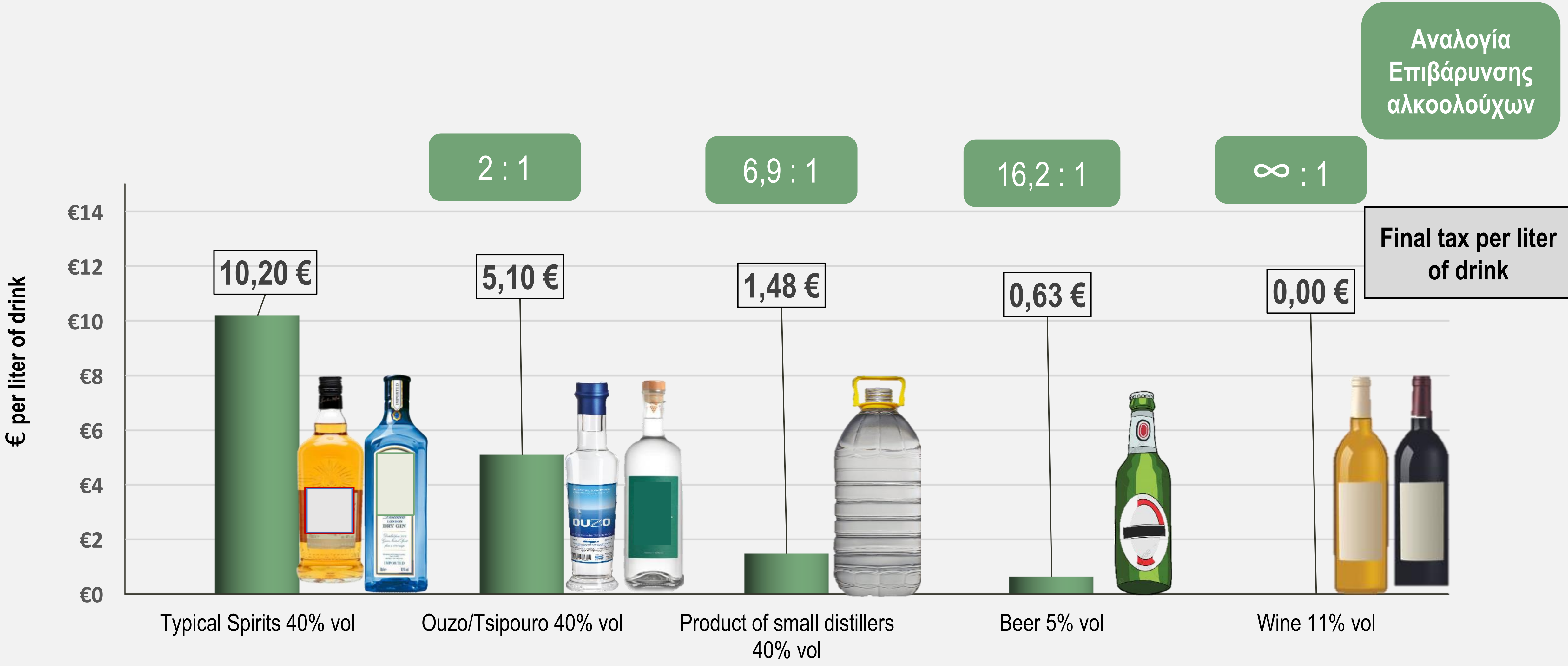
The Excise Duty disproportionately burdens the retail bottle price of alcoholic beverages at a time of high inflation.

Taxes has increased significantly since 2009, as in 2010 the rate of Excise Duty and VAT were increased.
Excise Duty represent more than 1/3 of the final price of spirit drinks, while in combination with VAT taxes constitute more than 50% of the final price of spirits, thus creating the conditions for the development of illegal trade.





The impact of Excise Duty on alcohol categories – August 2022 (€ per liter of drink)

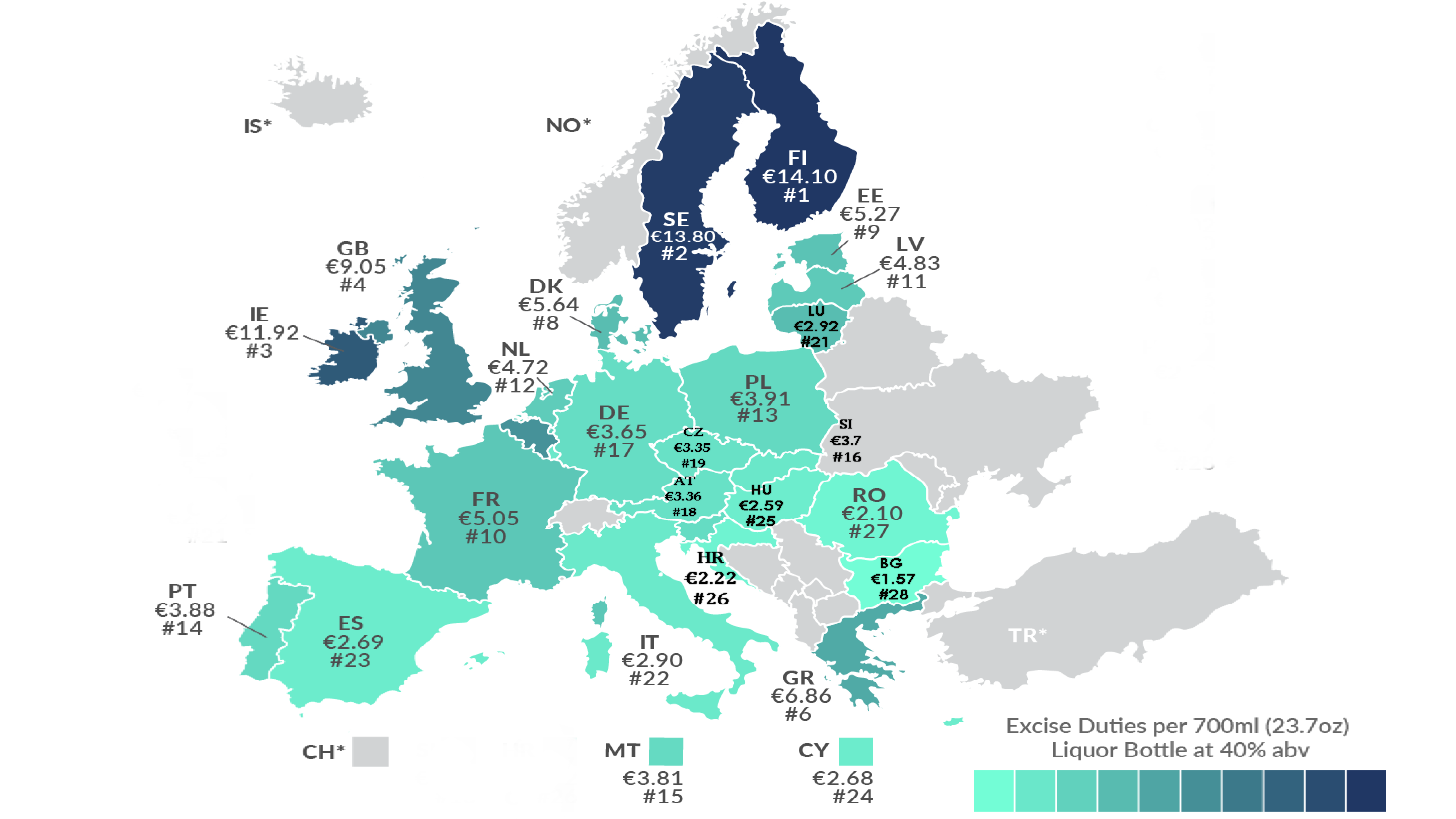


The disproportionate impact of the tax on spirit drinks discriminates between products and reinforces incentives for tax evasion, smuggling and/or fraud, which has an impact on human health

Greece at a disadvantage within the EU-27 due to the high Excise Duty (EFK)

The Excise Duty on spirits drinks in Greece holds one of the highest positions compared to other EU-27 countries

- **It is in 1st place within the EU in terms of GDP per capita, i.e. in purchasing power standards**
- **It is in the 1st place among the Mediterranean & tourism competitive countries.**
- **It is in 5th place among the 27 Member States.**



IS*
NO*
FI
€14.10
#1
SE
€13.80
#2
EE
€5.27
#9
LV
€4.83
#11
GB
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#4
DK
€5.64
#8
IE
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LU
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GR
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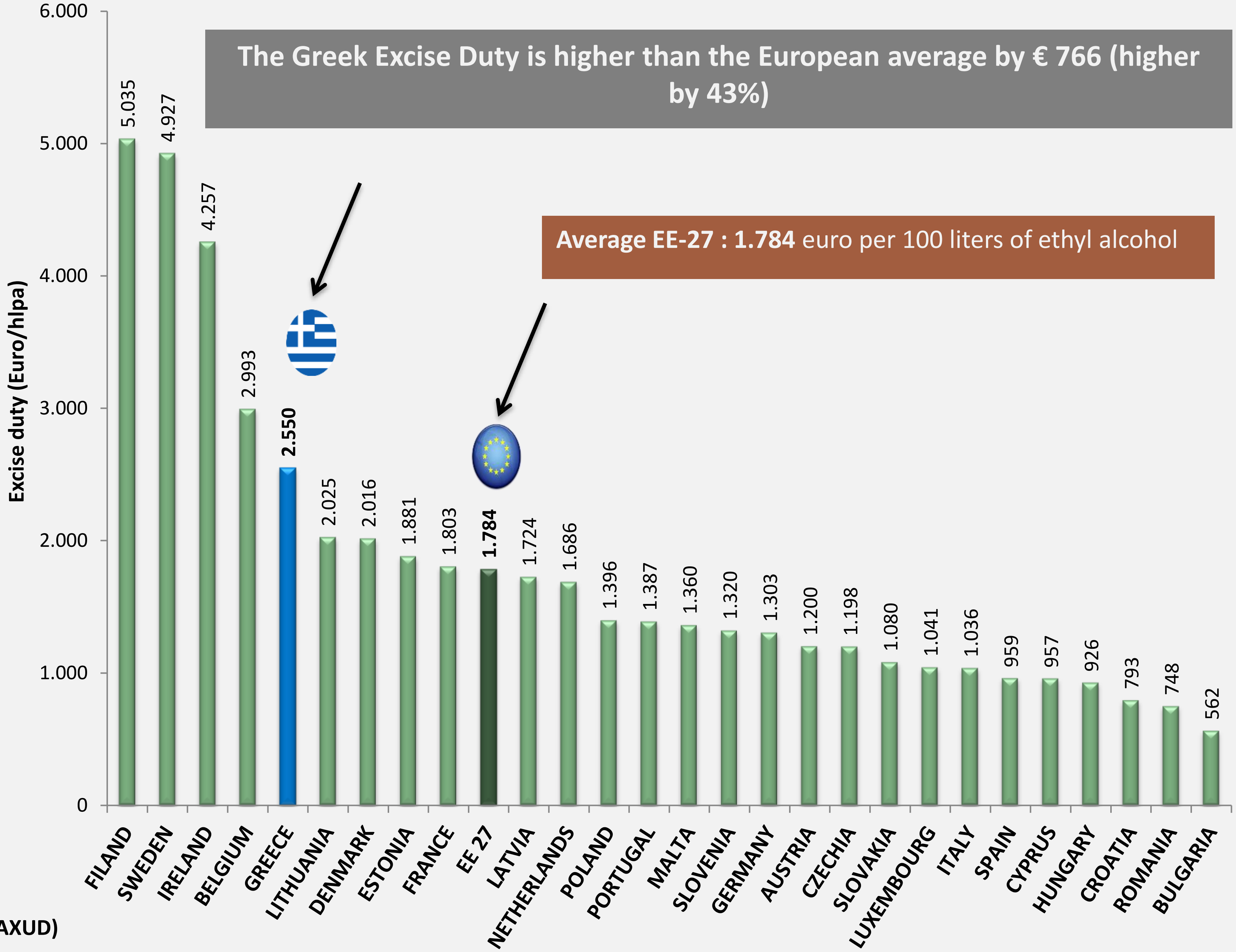
TR*
CH*
MT
€3.81
#15
CY
€2.68
#24
Excise Duties per 700ml (23.7oz)
Liquor Bottle at 40% abv

5th worst comparative position of Greece within the EU-27 (July 2021)

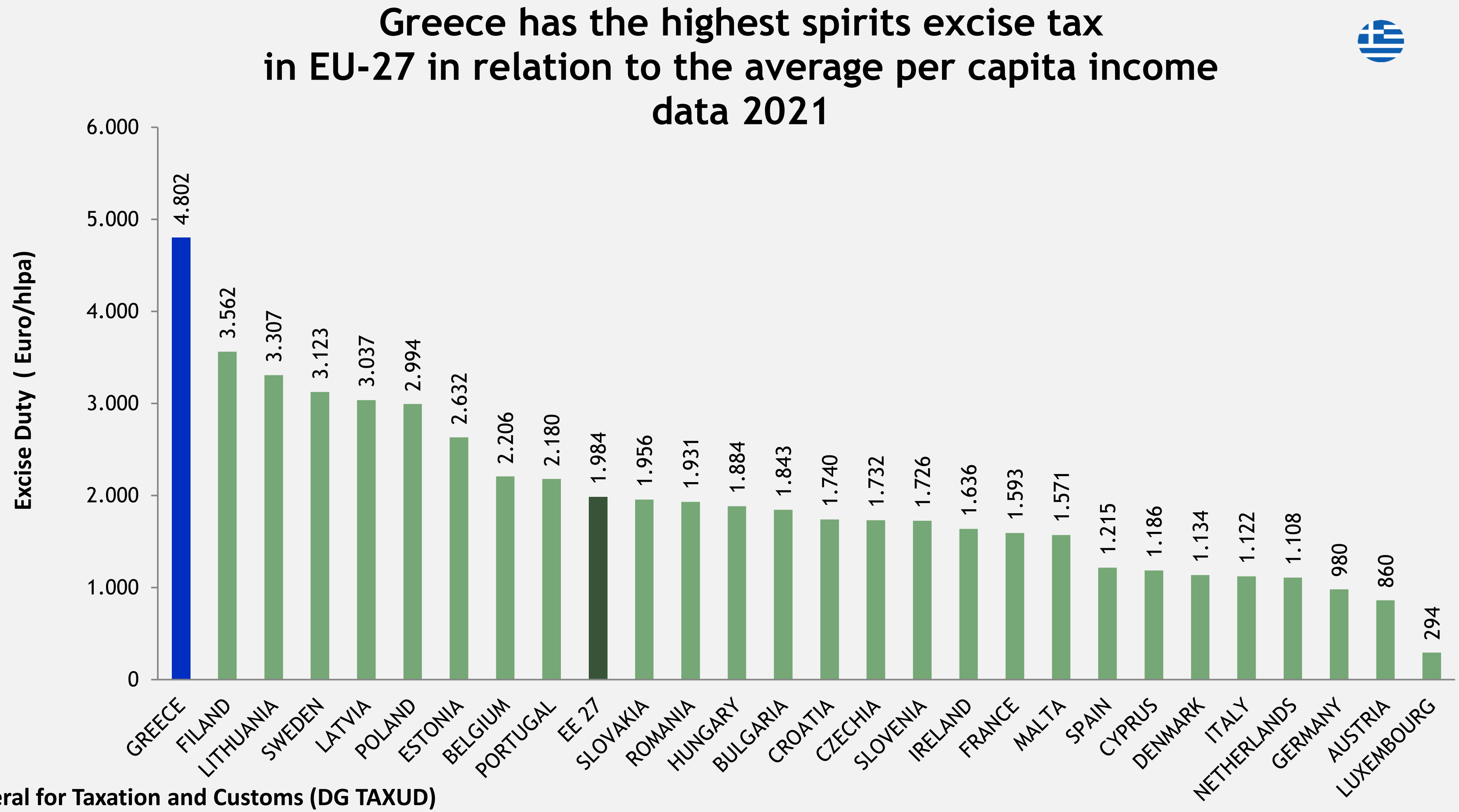


Source: Directorate General for Taxation and Customs (DG TAXUD)

Data processing : SEAOP

EU-27 excise duty rates for spirits in relation to the average per capita income

Excise duty on spirits in purchasing power parities (EU27=100), 2021



Source: Directorate General for Taxation and Customs (DG TAXUD)

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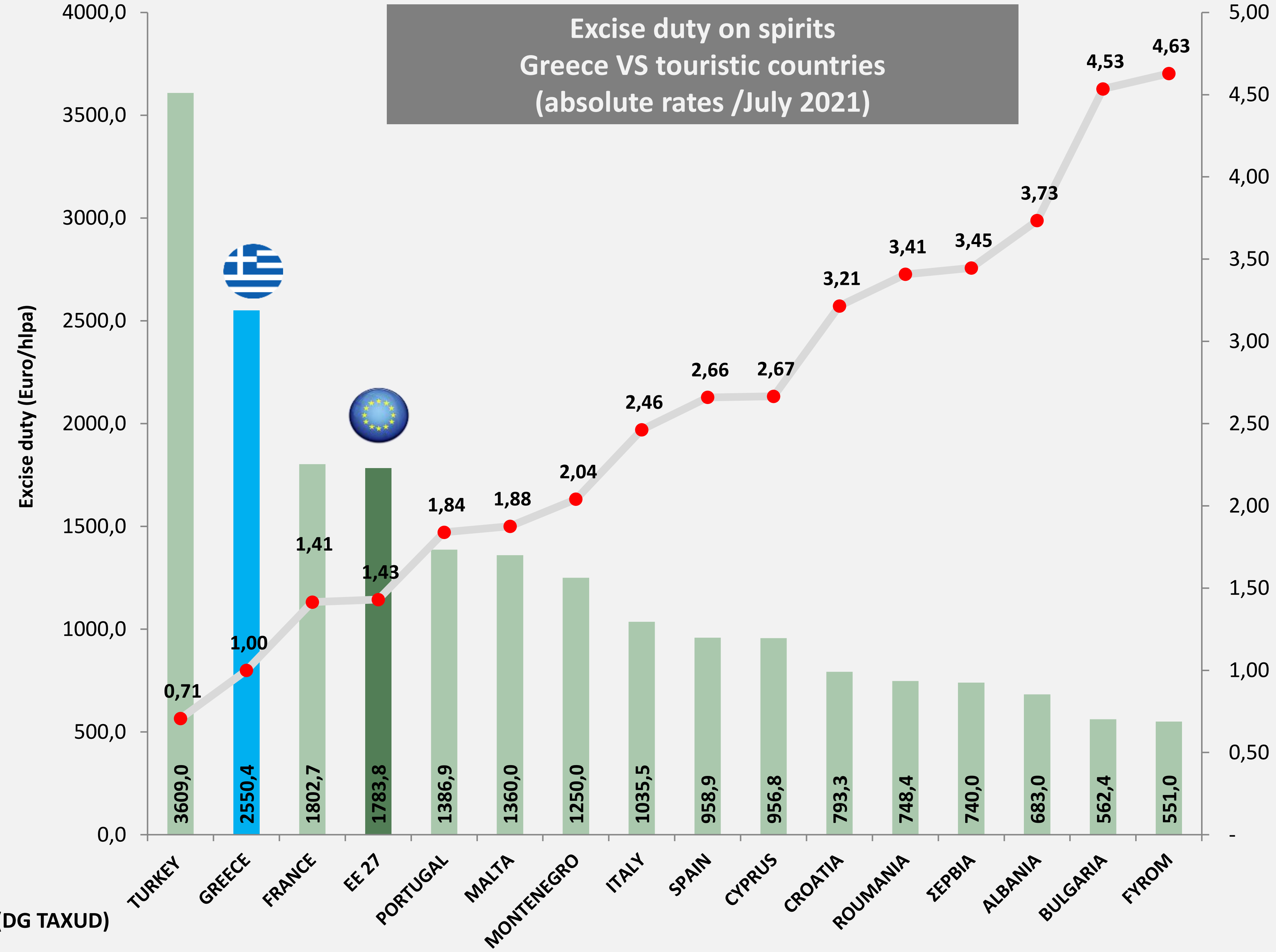
Greece has the highest excise duty rate among the neighboring and competitive tourist countries.



Source: Directorate General for Taxation and Customs (DG TAXUD)

Data processing : SEAOP

PROPOSAL
Adjustment of excise duty on spirit drinks in the EU average

- ✓ Supporting healthy entrepreneurship,
- ✓ Enhancement of recorded consumption
- ✓ Reduction of illegal trade

2021

€ 25,5
per liter of alcohol

2022

€18,0
per liter of alcohol

Effect of a reduced rate of Excise Duty on the economy

Enhance of **GDP from €159 mil. up to €314 million**

Increasing (or maintaining) employment throughout the value chain **from 5.5 thousand up to 11.5 thousand**

Overall change in revenue (Excise Duty, VAT, income taxes) approximately €11.5 million

Additional benefits of applying Excise Duty to the EU average

Addressing inflationary pressures

More competitive tourism product

A setback to the illegal trade