

## ALCOHOL EXCISE DUTY POLICY IN POLAND

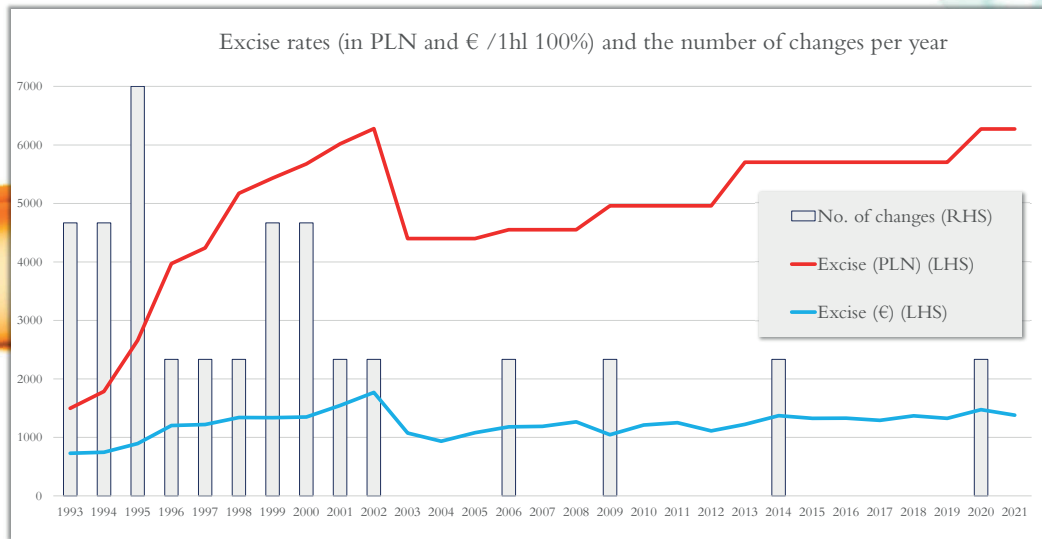
### Political economy of excise policy

- How often to raise excise taxes?
  - Often, but by a little at a time?
  - Seldom, but significantly?

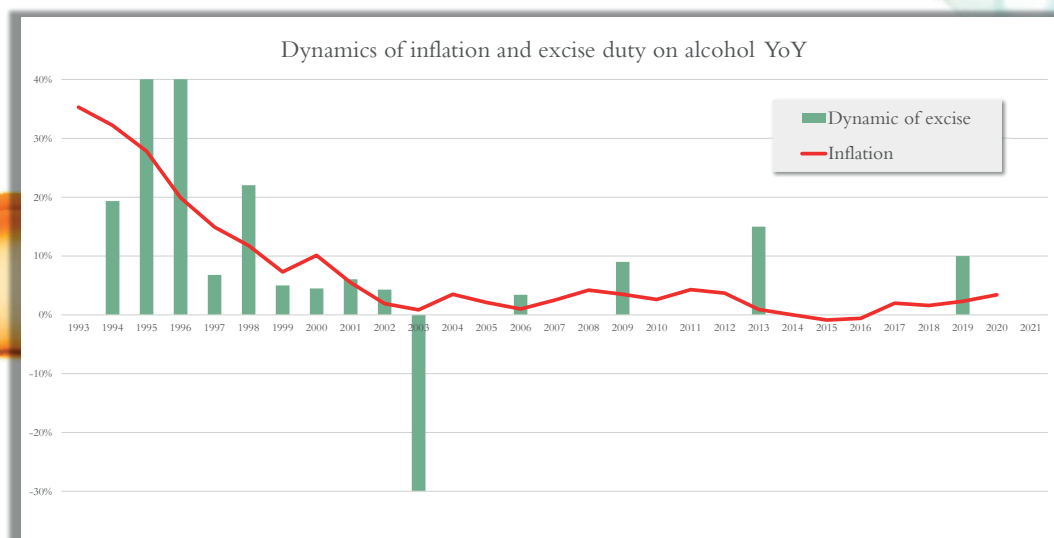
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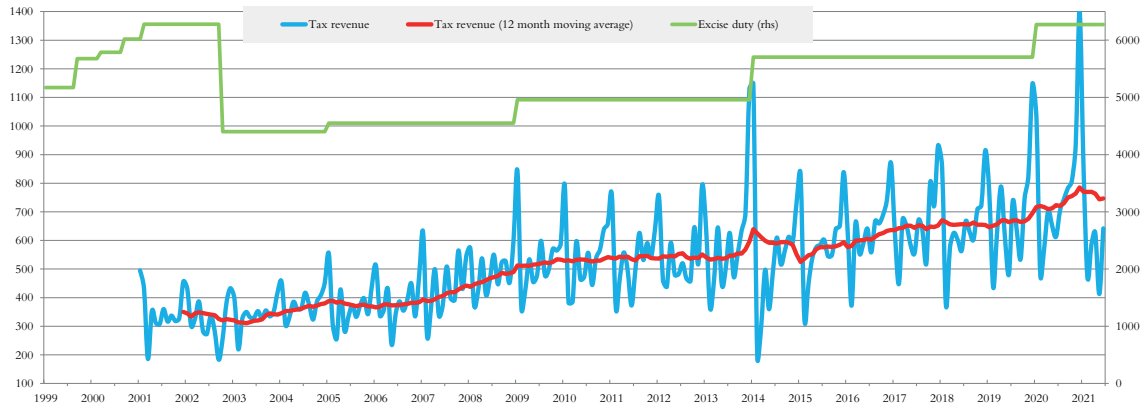


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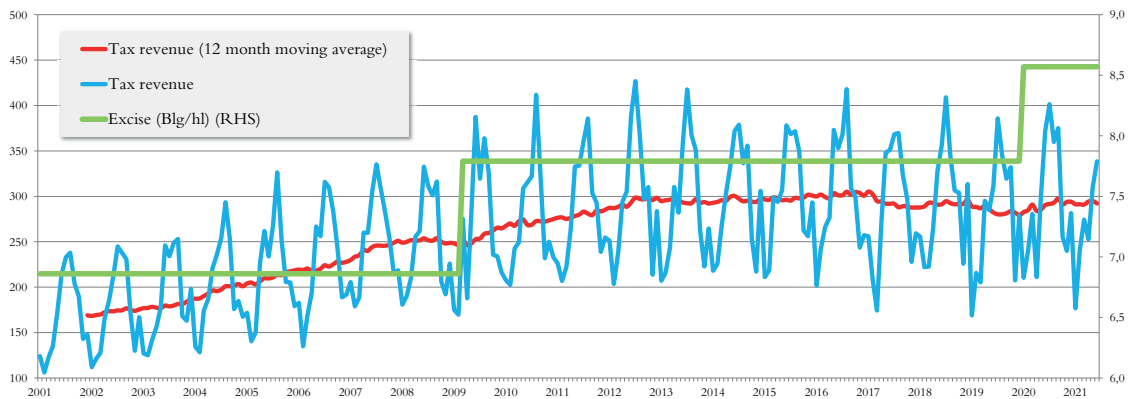
## ALCOHOL EXCISE DUTY POLICY IN POLAND

Spirits - excise rates and excise revenues in PLN m.

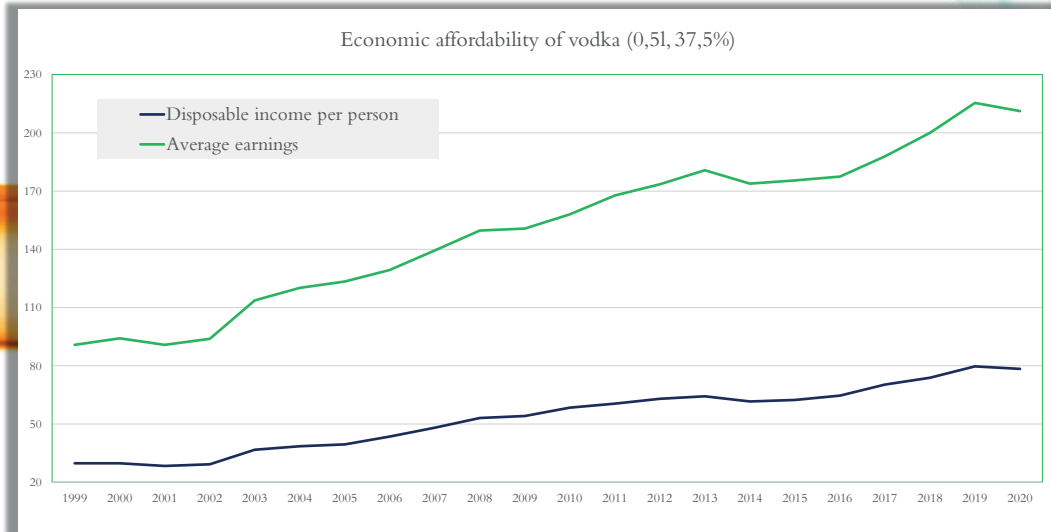


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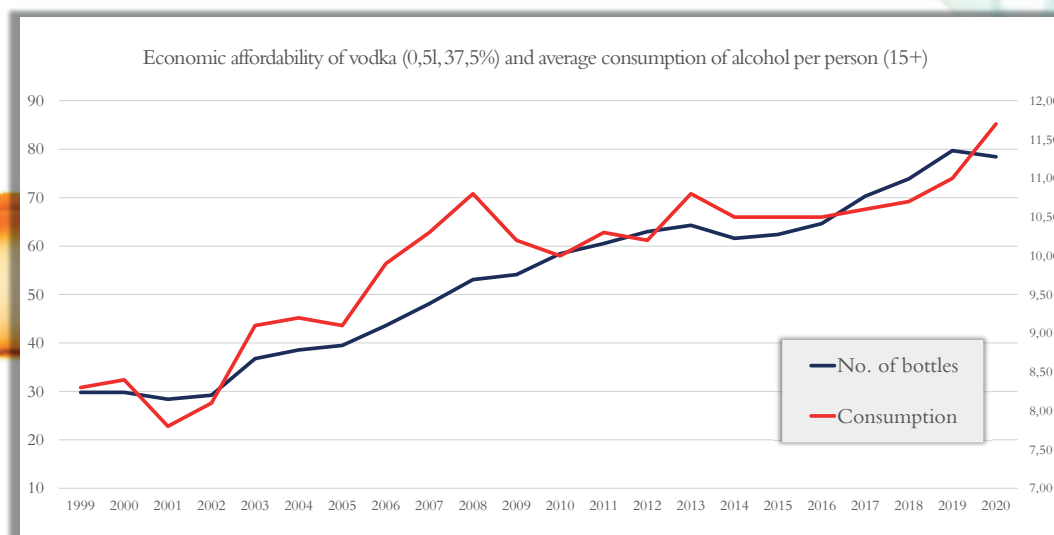
Beer - excise rates and excise revenues in PLN m.



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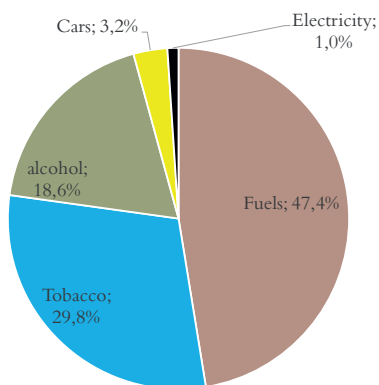
Novelty – ‘Little monkey’



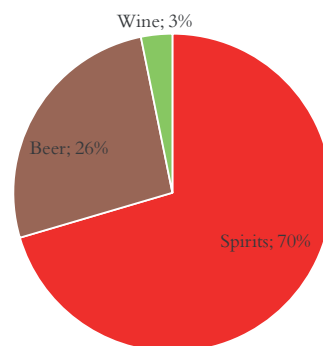
## ALCOHOL EXCISE DUTY POLICY IN POLAND

Political economy of excise policy

Structure of excise revenues (2020)



Structure of alcohol excise revenues (2020)



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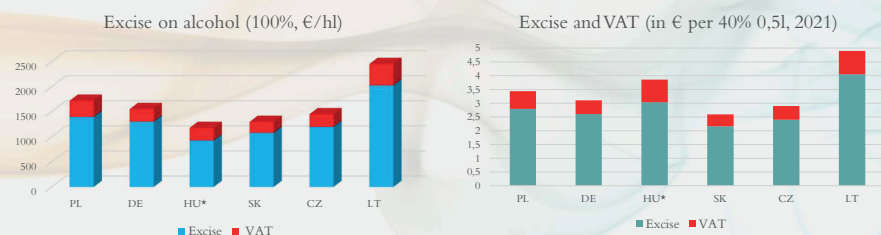
### Political economy of excise policy

- Objectives:
  - Popularity (voters, media, business)
    - For politicians, the number of tax hikes is more important than the magnitude
  - Money
  - Other considerations (health, environment)
- To raise the excise or not?
  - Yes, if benefit > cost

## ALCOHOL EXCISE DUTY POLICY IN POLAND

### Political economy of excise policy

- International considerations – yardstick competition



## ALCOHOL EXCISE DUTY POLICY IN POLAND

### Political economy of excise policy

- How to raise excise?
    - Discretion?
    - Rules?
      - Road map (binding vs not binding; how binding the law is?)
      - CPI
      - Nominal GDP
      - Average wage
- Predictability is essential for business*

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### Political economy of excise policy

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## ALCOHOL EXCISE DUTY POLICY IN POLAND

### Political economy of excise policy

- Public support is the *sine qua non* element of any successful excise policy
- Had I been aware of economic affordability of alcohol, being responsible for tax policy, my policy advice would have been different.

## ALCOHOL EXCISE DUTY POLICY IN POLAND

### Political economy of excise policy

#### *A road map announced (October 8th, 2021) 😊*

- Alcohol:
  - +10% in 2022 and +5% in 2023-2027
- Tobacco:
  - Heat-not-burn products: +100% in 2022 and +10% in 2023-2027
  - Cigarettes: +10% in 2023-2027
  - Cigarettes: a minimum excise duty goes up from 100% to 105% of the total excise from cigarettes sold at the average weighted price.

## ALCOHOL EXCISE DUTY POLICY IN POLAND

*Thank you*