

International Comparisons of Irish  
Alcohol Excise Taxation in the  
European Union and the UK  
In  
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## **EXECUTIVE SUMMARY**

This report was commissioned by the Drinks Industry Group of Ireland (DIGI). The main objective is to identify the level of alcohol excise tax in the EU and the UK relative to Ireland. It examines the up to date (as of May 2023 for the EU countries and August 2023 for the UK, to include the UK August excise restructuring) comparative international position of Irish alcohol excise taxation within the EU and the UK for the three main beverage groups and also calculates a composite excise rate. This report updates previous DIGI reports on the same subject. In addition, the report examines the level of VAT on alcohol and the impact of excise on Irish alcohol prices.

- Ireland has a very high level of alcohol excise tax in 2023 when compared with the large majority of the other 26 economies of the EU and the UK.
- Ireland has the highest wine excise in the EU27 and UK.
  - Ireland has the third highest beer excise in the EU 27 and UK (using the UK non-draught beer excise or the average of the two UK beer excise rates) behind Finland and the UK.
  - Ireland has the third highest spirits excise in the EU 27 and UK behind Sweden and Finland.
  - Fifteen EU economies do not impose any excise on wine. In addition, France and Malta have very low wine excise tax.
  - On an overall composite alcohol excise level (measured by the unweighted average of the different beer, spirits and wine excise rates), Ireland is the second highest, behind Finland.
  - The magnitude of the differences in alcohol excise between Ireland and other EU economies is large. For example, Ireland's beer excise is 11.4 times that of Germany. Irish spirits excise is 4.4 times that of Spain.
  - There is a substantial difference between the alcohol excise levels of the four highest alcohol taxed economies, Finland, Ireland, the UK and Sweden, and the remaining 24 countries.
  - Finland's composite rate per HLPAs is 22.1% higher than Ireland's, €4,222 compared to Ireland's €3,458. Sweden's composite rate is 18.5% below the Irish rate. The UK composite rate, following the August UK excise increases, is 4.5% below the Irish rate, using the

non-draught beer rate. The gap is 5.6% using the average of the two UK beer excise rates.

- Lithuania has the fifth highest composite excise rate of €1,660 and is 48% of the Irish rate.
- Germany's composite alcohol excise per HLP is €500 or 14.5% of the Irish level of €3,458.
- France's composite level of €884 is 25.6% of the Irish level.
- Spain's composite rate is €386 or 11.2% of the Irish level.
- Application of the German beer excise rate to Ireland would reduce the price of a pint of stout in a public house by 10.9%, the price of a glass of wine in a restaurant by 12.3% and the off-licence price of a bottle of whiskey by 36.8%.
- Application of the German beer excise rate to Ireland would reduce excise on an on-licence pint of stout to 5 cent instead of 54 cent, a direct reduction of 49 cent. This increases to a reduction of 60 cent when VAT on the excise is included.
- In Spain, the excise on an off-licence bottle of whiskey is €2.69 which is €9.23 lower than in Ireland.
- VAT is levied on excise and the other elements of the price of alcohol products. Usually the standard VAT rate is applied. However, some countries apply a lower rate than the standard rate on specific aspects of the alcohol market, notably alcohol products consumed in bars and restaurants. Ireland charges the standard rate. Ireland's standard VAT rate is relatively high by EU and UK standards. Of the 28 countries, Ireland's rate of 23% is exceeded by only six countries.

## 1. INTRODUCTION AND OBJECTIVE

This report, which was commissioned by the Drinks Industry Group of Ireland (DIGI), examines the up to date (as of August 2023 for the UK and May 2023 for the countries in the EU) comparative international position of Irish alcohol excise taxation within the EU and the UK. It updates previous DIGI reports on the same topic. It also examines the level of VAT on alcohol products and the impact of alcohol excise on prices. As is shown by the data presented in the report, Ireland has a very high level of alcohol excise tax in 2023 when compared with the large majority of the other 26 economies of the EU and the UK. The UK is included in the report along with the 27 EU Members because of its close economic and business relations with Ireland.

The UK significantly restructured its alcohol products tax and increased the rate of tax for most alcohol products with effect from August 2023 and this restructuring is covered in the report. Value added tax (VAT) is applied to alcohol products and this is also covered in this report. Most countries, including Ireland apply the standard VAT rate to alcohol products but Spain, for example, applies a reduced VAT rate to alcohol products. The report also examines the impact of excise on alcohol prices.

On the composite indicator (average excise rates across the three beverages of beer, spirits and wine) only Finland has higher average alcohol excise than Ireland. The UK is in third place with an average excise level which is lower than Ireland. These three are followed by Sweden, in fourth place, which is also a high alcohol excise economy.

The UK composite level, based on non-draught beer excise, is 95.5% of the Irish level. The rest of the EU economies have very much lower levels of excise than the top four of Finland, Ireland, the UK and Sweden. The fifth ranked economy is Lithuania which has a composite excise rate of 48% of the Irish level, substantially less than the highest four economies. Ireland has, as of May 2023 (and August 2023 for the UK):

- The highest wine excise in the EU 27 and the UK

- The third highest beer excise in the 28 countries behind Finland and the UK (using the UK non-draught beer excise or the average of the two UK beer excise rates)
- The third highest spirits excise after Sweden and Finland
- On an overall composite alcohol excise level (measured by the unweighted average of the different beer, spirits, and wine excise rates); Ireland is the second highest behind Finland.
- Ireland's composite level is 108% higher than the fifth ranked country of Lithuania and is substantially higher than all those other EU economies which have lower excise levels than Lithuania.

The magnitude of the differences in alcohol excise between Ireland and other EU economies is large. For example, Ireland's beer excise is 11.4 times that of Germany. Irish spirits excise is 4.4 times that of Spain. Fifteen EU economies do not impose any excise on wine. France and Malta have very low wine excise tax.

The report presents data on the excise league position of Ireland relative to other EU economies, the VAT rates on alcohol, the magnitude of the differences in excise rates between Ireland and other EU economies, the excise on a sample of drinks products and the impact on Irish prices of having the lower German excise levels. The same comparative prices exercise is done for Spain.

## **2. DATA**

The data are from the excise tables compiled by the European Spirits Association, which are themselves derived from the excise tables of the EU Commission. The data in this report refer to the position as of May 2023. The main indicator used is excise in euro per hectolitre of pure alcohol (HPLA). The European Spirits data cover beer, wine, spirits, and intermediate products. Data are not available in this source for cider. The discussion focuses on the three main drinks categories of beer, wine, and spirits. The UK Revenue and Customs data are used for the UK August analysis. The VAT information is provided by HOTREC and refers to January 2023.

As noted in the previous DIGI reports on the relative position of Ireland’s alcohol tax, the excise levels are available for each of the three different individual beverage groups. There is no single composite comparative excise rate for alcohol as a whole. Such an indicator is useful for summary comparisons. For example, Ireland’s spirits excise is 111.1% higher than Denmark’s. In wine, Ireland’s excise level is 180.7% higher than the Danish level and in beer, Ireland is 244.3% higher than the Danish level. There is no overall total alcohol excise rate with which to compare the aggregate alcohol excise rate between countries.

One possible indicator of overall alcohol taxation is the weighted average of the different beverages excise level (weighted by the share of each beverage group in overall national alcohol consumption). Detailed up-to-date comparable information on consumption mix is not readily available. In any event, a weighted index would partly reflect the pattern of consumption and not exclusively the different rates. In this report a “composite” alcohol excise level has been calculated using the arithmetic average of the excise levels of the three beverage groups. While inexact, it gives a useful indication of the relative national overall alcohol excise level. The composite alcohol excise measure for Ireland is 156.3% higher than Denmark.

The EU excise tables’ euro denominated excise levels for May 2023, for non-euro countries, are based on the October 1 2022 exchange rates as required by EU rules. Changes in exchange rates influence the excise position of Ireland relative to those countries which have not adopted the euro. For some non-euro economies, the excise gap is so large that short term exchange rate changes do not materially affect Ireland’s relative position. However, this is not the case for the UK and Sweden which are both in the top four country group of excise levels and are relatively close to the Irish excise level in beer. The particular exchange rate can alter the relative position of Ireland compared to these two countries. Finland, the other member of the four high excise economies, uses the euro and the exchange rate issue does not arise. For current comparisons in this report, we use the more appropriate relatively current exchange rates for both Sweden and the UK, which is defined as the monthly average level in July 2023. The exchange rates used in the basic data source are, relative to the

euro, 10.8743 SEK (Sweden) and 0.8707 Sterling (UK). The more recent July 2023 rates are 11.6343 SEK and 0.85856 Sterling.

The effect of the different exchange rates on comparative excise rates in Sweden and the UK are shown below in Table 1. The effect of using the more recent exchange rates is to decrease the euro value of the local currency excise rates for Sweden and to slightly increase them for the UK. This means that the gap between these two countries excise rates and Ireland's rate is different using the recent exchange rates. Ireland's composite rate is €3,458 compared to €2,907 for the UK on recent exchange rates and €2,866 on the October 2022 exchange rates. The Swedish composite rate is €3,015 on the October 2022 exchange rates and €2,818 on the July 2023 exchange rates.

**Table 1 Excise per HLP A UK and Sweden May 2023, based on local currency and different exchange rates to the euro**

|  | <b>Spirits</b> | <b>Wine</b>  | <b>Beer</b>  | <b>Composite</b>      |
|--|----------------|--------------|--------------|-----------------------|
| <i>UK Sterling excise</i>                    | 2874           | 2705         | 1908         | <i>Not applicable</i> |
| UK excise in euro at Oct 1 2022 rate, 0.8707 | 3301           | 3107         | 2191         | 2866                  |
| UK excise in euro at July 2023 rate, 0.85856 | 3347           | 3151         | 2222         | 2907                  |
| <i>Sweden SEK</i>                            | <i>52176</i>   | <i>24991</i> | <i>21200</i> | <i>Not applicable</i> |
| Sweden in euro at Oct 1 2022 rate, 10.8743   | 4798           | 2298         | 1950         | 3015                  |
| Sweden in euro at July 2023 rate, 11.6343    | 4485           | 2148         | 1822         | 2818                  |
| Irish rates €                                | 4257           | 3862         | 2255         | 3458                  |

### **3. TYPE OF ALCOHOL TAXATION**

Alcohol is subject to two types of expenditure tax, VAT and excise. The VAT is an ad valorem tax which is charged as a per cent of the selling value or price. As the

price of alcohol increases the absolute amount of the VAT rises automatically as VAT is levied on the value/price of the product. All the different types of beverages are charged the same VAT rate in most countries. Most countries apply the standard VAT rate to alcohol products. Some countries operate a reduced VAT rate for wine, for draught beer or for alcohol served in bars and restaurants. In addition to the usual VAT and excise some countries have additional taxes on alcohol such as environment related packaging or bottle charges. These additional taxes are not included in this analysis. However, it should be noted that the Irish VAT rate on alcohol is relatively high compared to the other countries. This is outlined in Section 4.

Excise tax is a specific tax which is based on the quantity of alcohol in the beverage. It is an absolute amount of money per unit of alcohol contained in the beverage. It is not affected by the price of the product. For example, a given quantity of a particular beverage attracts the same excise tax whether sold in an off-licence or consumed within a public house or other bar, although the monetary value of the purchase is higher in the public house. Different priced bottles of wine, with the same alcohol content, are charged the same excise amount.

VAT is charged on the excise amount. Consequently, an Irish excise increase directly causes price to rise by the excise and a further 23% of the excise increase, if passed on by the supplier/retailer.

There are different excise levels for the individual beverages categories. In all 28 (EU plus UK) countries the spirits excise per HPLA is the highest of the three categories. However, the ratio of spirits excise to other beverage excise varies greatly among the 28 countries.

As already noted, 15 of the 28 (27 EU plus UK) countries do not impose excise on wine. These are Austria, Bulgaria, Croatia, Cyprus, Czech Republic, Germany, Greece, Hungary, Italy, Luxembourg, Portugal, Romania, Slovakia, Slovenia and Spain. Of the 13 countries which do have a wine excise France has a very low rate of €36 per HPLA and Malta has a rate of €186. This compares with the Irish rate of €3,862.

This report examines the current (defined as May 2023 with an update to August for the UK) comparative level of alcohol excise in the EU. There are several other

taxation issues which are not examined here including comparative changes in the levels over time, the comparative role or share of excise in alcohol prices in the different countries, the role of alcohol excise relative to earnings or average incomes or the changes over time in the tax proportion of Irish and international alcohol prices.

As noted above, alcohol excise is a specific or absolute amount of money tax per product (depending on the alcohol characteristics of the beverage). Consequently, one might expect low-income economies to operate low absolute alcohol excise rates which could still result in an internationally comparable excise share of the price. For example, a low-income economy would be characterised by lower cost of living, lower earnings and lower prices, other things being equal, than a high-income economy. Application of the same absolute excise rates would result in a larger impact on the low-income economy price of alcohol than in the high-income economy. However, it should be noted that several high-income economies such as Germany, Denmark, France, Netherlands and Belgium also have relatively low alcohol excise rates compared to Ireland.

#### **4. VAT RATES ON ALCOHOL IN THE EU**

The EU usual practice is that the standard VAT rate is applied to excise and the other elements of price of alcohol products. However, there are some exceptions. Cyprus has a 9% VAT rate on alcohol in bars and restaurants compared to the standard rate of 19%. Czechia has a 10% VAT rate on draught beer compared to the standard rate of 21%. Italy has a 10% VAT rate on alcohol in bars and restaurants compared to the standard rate of 22%. Luxembourg applies a 14% VAT rate to certain wines usually but this is reduced to 13% for 2023. The standard rate applies to other alcohol products in Luxembourg. Romania has a 5% VAT rate on draught beer compared to a standard rate of 19%. Slovakia has a 10% rate on alcohol in bars and restaurants compared to the standard rate of 20%. Spain has a standard rate of 21% but charges a 10% VAT rate on alcohol in bars and restaurants.

The other 21 countries apply their standard VAT rates to alcohol products.

Ireland's standard VAT rate is relatively high by EU and UK standards. Of the 28 countries, Ireland's rate of 23% is exceeded by only six countries. One has a rate of 27%, three have a rate of 25% and two have a rate of 24%. Two other countries have

a 23% rate which is the same as Ireland. 14 countries have rates of either 22%, 21% or 20%. Five countries have rates which are below 20% with the lowest being 16%. As already noted, seven of the 28 countries apply lower VAT rates than the standard on specific elements of alcohol sales. The VAT rates are summarised below for the 27 EU countries and the UK.

**Table 2 Standard and alcohol products VAT rates, EU and UK January 2023**

| Standard VAT rate % | Number of countries | Countries   | Alcohol VAT rate  |
|---------------------|---------------------|---|---|
| 16                  | 1                   | Luxembourg  | The 16% rate will be increased to 17% in January 2024. Some wines are normally on 14% and are temporarily on 13% for 2023                             |
| 17                  | none                |   |   |
| 18                  | 1                   | Malta   | Standard rate   |
| 19                  | 3                   | Cyprus, Germany, Romania                                | Cyprus is 9% on alcohol in bars and restaurants, Romania applies 5% VAT to draught beer and Germany applies the standard rate to all alcohol          |
| 20                  | 6                   | Austria, Bulgaria, Estonia, France, Slovakia. UK        | Slovakia applies 10% VAT to alcohol in bars and restaurants. The rest apply their standard rates.   |
| 21                  | 6                   | Belgium, Czechia, Latvia, Lithuania, Netherlands, Spain | Czechia applies 10% VAT to draught beer. Spain applies 10% VAT to alcohol products in bars and restaurants. The other four apply their standard rates |
| 22                  | 2                   | Italy, Slovenia   | Italy has a 10% VAT rate on alcohol in bars and restaurants. Slovenia applies the standard rate.  |
| 23                  | 3                   | Ireland, Poland, Portugal                               | All three countries apply the standard VAT rate to alcohol  |
| 24                  | 2                   | Finland, Greece   | Standard rate   |
| 25                  | 3                   | Croatia, Denmark, Sweden                                | Standard rate   |
| 26                  | none                |   |   |
| 27                  | 1                   | Hungary   | Standard rate   |

Source. HOTREC, VAT tables January 2023

Ireland has a relatively high standard VAT rate. Its rate of 23% is exceeded by only six of the 28 countries being considered. Nineteen countries of the 28 have lower standard VAT rates than Ireland. Poland and Portugal have the same standard VAT rate as Ireland, 23%. Generally, the standard VAT rate is applied to alcohol products but seven countries apply a lower VAT rate to some element of alcohol products such as draught beer or alcohol served in bars and restaurants.

## **5. THE UK AUGUST 2023 EXCISE RESTRUCTURING**

The new alcohol excise rates arising from the long-heralded restructuring of the UK alcohol excise system came into effect on August 1 2023. There are four main features of the new system. Previously some products' excise rates have been based on volume only such as still wine and cider while other products' excise were based on the alcohol content of the beverage been measured. From 1st August all alcohol products will be measured by alcohol volume or ABV. Secondly, the rate of excise will increase the higher the alcohol content of the beverage is. Thirdly, the policy of linking annual excise increases to the rate of inflation has been restored and rates were increased by 10.1% to reflect this. Fourthly, a relief for draught beer and cider was introduced and increased from the previously expected level. The effect of the draught beer relief was to nullify the general 10.1% beer excise increase. The impact on the excise of specific products is a combination of the overall excise increase, the restructuring related to the alcohol content and the draught relief where it applies.

The impact of the August restructuring is shown below. Generally, the excise rate increased by the inflation rate of 10.1%. Wine, however, had a larger increase due to the restructuring. The impact of the excise increase on draught beer was offset by the relief for draught. The UK excise level increased substantially relative to Ireland compared to the pre-August position.

Excluding the draught relief, the beer excise in the 3.5% to 8.5% ABV category increased from £19.08 per litre of alcohol in the product to £21.01 per litre of alcohol in the product, an increase of 10.1%. Spirits increased from £28.74 per litre of pure alcohol to £31.64 per litre of alcohol in the product, an increase of 10.1%. However,

in wine the rate increased from £297.57 per hectoliter of product in the range 5.5% to 15% ABV to €28.50 per litre of alcohol in the product in the range 8.5% to 22% ABV range.

The pre-August rate for wine was equivalent to £23.81 per litre of alcohol in the product at 12.5% ABV compared to the post-August rate of £28.50, an increase of 19.7%.

The UK excise rates in euro per HLPA for pre and post August are shown in Table 3 below. The increase in the excise rates are spirits 10.1%, wine 19.7% and beer 10.1%. The beer 10.1% applies to non-draught beer. When the draught beer relief is applied there is no change in the draught beer excise due to the August changes. The figures in Table 3 are derived from the May 2023 excise tables from Spirits Europe. These are adjusted by applying July 2023 exchange rates and the August increases are applied to the resulting rates.

**Table 3 UK excise rates pre and post August 2023 euro per HLPA (Exchange rate July 2023 average).**

|                    | Pre August rates | % increase | Post August rates |
|--------------------|------------------|------------|-------------------|
| Spirits            | 3347             | 10.1       | 3685              |
| Wine               | 3151             | 19.7       | 3772              |
| Beer (non-draught) | 2222             | 10.1       | 2446              |
| Beer (draught)     | 2222             | -          | 2222              |

Source. As explained in the text.

Clearly, the substantial increases in UK excise rates, while Ireland's rates were unchanged, has substantially improved the Irish position compared to the UK. This is summarised in Table 4 below.

**Table 4 UK and Irish excise rates pre and post August 2023 euro per HLPA (Exchange rate July 2023 average).**

|  | Pre August rates UK | Irish rates | Ireland relative to UK pre August (Ireland as % of UK) | Post August rates | Ireland relative to UK post August (Ireland as % of UK) |
|--|---------------------|-------------|--|-------------------|---|
| Spirits                                  | 3347                | 4257        | 127.2  | 3685              | 115.5   |
| Wine                                     | 3151                | 3862        | 122.6  | 3772              | 102.4   |
| Beer (non-draught)                       | 2222                | 2255        | 101.5  | 2446              | 92.2  |
| Beer (draught)                           | 2222                | 2255        | 101.5  | 2222              | 101.5   |
| Composite rate based on non-draught beer | 2907                | 3458        | 119.0  | 3301              | 104.8   |

Ireland’s spirit excise was 27.2% higher than the UK before August and was 15.5% higher after the August increases. Ireland’s wine excise was 22.6% higher than the UK before August and is now 2.4% higher. Irish beer excise was slightly above the UK by 1.5% but after August non draught beer in the UK has a higher excise rate than Ireland. The UK is 8.5% higher than the Irish non-draught excise rate. The draught beer comparison is unchanged.

Comparing the composite rates (using the non-draught rate for the UK) before August Ireland was 19% higher than the UK and this drops to 4.8% on the current rates.

## **6. IRELAND’S COMPARATIVE RANKING IN EXCISE**

The comparative position of Ireland relative to the other 27 countries is presented in Table 5. The only countries comparable to Ireland in terms of high levels of alcohol excise are the UK and the two Nordic countries, Sweden and Finland. All other 24 EU economies have low alcohol excise rates compared to Ireland. The UK estimates are

given for the non-draught beer excise level and the average of the two UK beer excise levels.

**Table 5 EU Alcohol Tax Rates (Excise) (Euro per HLPA), May 2023 (and August 2023 for the UK), three beverages and composite level and rank in country alphabetical order**

|                       | Spirits     | Wine        | Beer   | Composite level | Rank of composite level |
|-----------------------|-------------|-------------|--|-----------------|-------------------------|
| Austria               | 1200        | 0           | 500  | 567             | 20                      |
| Belgium               | 2993        | 681         | 501  | 1392            | 7                       |
| Bulgaria              | 562         | 0           | 192  | 251             | 28                      |
| Croatia               | 796         | 0           | 531  | 442             | 24                      |
| Cyprus                | 957         | 0           | 600  | 519             | 22                      |
| Czechia               | 1315        | 0           | 326  | 547             | 21                      |
| Denmark               | 2017        | 1376        | 655  | 1349            | 8                       |
| Estonia               | 1881        | 1344        | 1270   | 1498            | 6                       |
| Finland               | 5035        | 3827        | 3805   | 4222            | 1                       |
| France                | 1834        | 36          | 782  | 884             | 12                      |
| Germany               | 1303        | 0           | 197  | 500             | 23                      |
| Greece                | 2550        | 0           | 1250   | 1267            | 9                       |
| Hungary               | 1332        | 0           | 424  | 585             | 19                      |
| <b>Ireland</b>        | <b>4257</b> | <b>3862</b> | <b>2255</b>  | <b>3458</b>     | <b>2</b>                |
| Italy                 | 1036        | 0           | 755  | 597             | 17                      |
| Latvia                | 1724        | 1009        | 820  | 1184            | 10                      |
| Lithuania             | 2310        | 1809        | 860  | 1660            | 5                       |
| Luxembourg            | 1041        | 0           | 198  | 413             | 25                      |
| Malta                 | 1360        | 186         | 483  | 676             | 15                      |
| Netherlands           | 1686        | 803         | 759  | 1083            | 11                      |
| Poland                | 1500        | 378         | 512  | 797             | 14                      |
| Portugal              | 1457        | 0           | 439  | 632             | 16                      |
| Romania               | 851         | 0           | 212  | 354             | 27                      |
| Slovakia              | 1404        | 0           | 359  | 588             | 18                      |
| Slovenia              | 1320        | 0           | 1210   | 843             | 13                      |
| Spain                 | 959         | 0           | 199  | 386             | 26                      |
| Sweden                | 4485        | 2148        | 1822   | 2818            | 4                       |
| UK                    | 3685        | 3772        | 2446<br>(based on the non-draught beer rate)         | 3301            | 3                       |
| UK                    | 3685        | 3772        | 2334<br>(Based on the average of the two beer rates) | 3264            | 3                       |
| <b>Ireland's rank</b> | <b>3</b>    | <b>1</b>    | <b>3</b>   | <b>2</b>        | <b>2</b>                |

Source: *Spirits Europe, Summary of EU Member States (and UK), Brussels (Excise rates as of May 2023 except for the UK's excise rates which refer to August 2023), the exchange rates are those of Oct*

2022 as used in the EU excise tables except for the UK and Sweden for which we use 2023 July monthly average rates. Composite level is the unweighted average of the three beverage specific rates. The UK composite rate is based on the non-draught beer rate.

The ranking position of Ireland is summarised in Table 6. Ireland has the highest wine excise of the 28 EU members. Ireland has the third highest beer excise and the third highest spirits excise. On the composite indicator Ireland has the second highest average aggregate alcohol excise of the 28 EU members behind Finland but the UK, in third place is close to the Irish composite rate.

**Table 6 Ireland’s High Alcohol Excise Taxation May 2023 (and August 2023 for the UK)**

| <b>Category</b>  | <b>Position</b>   |
|--|---|
| Wine   | Highest in EU27 plus UK ( but close to Finland’s and the UK’s levels) |
| Beer (non-draught rate and average of the two beer excises in the case of the UK give the same ranking for Ireland)) | Third Highest in EU27 plus UK (after Finland and the UK)              |
| Spirits  | Third Highest in EU27 plus UK (after Finland and Sweden)              |
| Composite indicator  | Second Highest in EU27 plus UK  |

The data in Table 5 are shown again in Table 7 in order of magnitude of the composite excise rate. This further illustrates the gap between the top four countries, including Ireland, and the other 24 countries. Only eleven of 28 countries have a composite rate of more than €1,000. Only four countries have a composite rate of

more than €2,000 and only three, including Ireland, have a rate of more than €3,000. Five countries have a composite rate of lower than €500.

**Table 7 EU Alcohol Tax Rates (Excise) (Euro per HLP A), May 2023 (and August 2023 for the UK), composite level and rank in order of magnitude**

|                                    | <b>Composite level</b> | <b>Rank of composite level</b> |
|------------------------------------|------------------------|--------------------------------|
|                                    | € per HLP A            |                                |
| Finland                            | 4,222                  | 1                              |
| <b><i>Ireland</i></b>              | <b>3,458</b>           | <b>2</b>                       |
| UK (non-draught rate for beer)     | 3,301                  | 3                              |
| UK (average of the two beer) rates | 3,264                  | 3                              |
| Sweden                             | 2,818                  | 4                              |
| Lithuania                          | 1,660                  | 5                              |
| Estonia                            | 1,498                  | 6                              |
| Belgium                            | 1,392                  | 7                              |
| Denmark                            | 1,349                  | 8                              |
| Greece                             | 1,267                  | 9                              |
| Latvia                             | 1,184                  | 10                             |
| Netherlands                        | 1,083                  | 11                             |
| France                             | 884                    | 12                             |
| Slovenia                           | 843                    | 13                             |
| Poland                             | 797                    | 14                             |
| Malta                              | 676                    | 15                             |
| Portugal                           | 632                    | 16                             |
| Italy                              | 597                    | 17                             |
| Slovakia                           | 588                    | 18                             |
| Hungary                            | 585                    | 19                             |
| Austria                            | 567                    | 20                             |
| Czechia                            | 547                    | 21                             |
| Cyprus                             | 519                    | 22                             |
| Germany                            | 500                    | 23                             |
| Croatia                            | 442                    | 24                             |
| Luxembourg                         | 413                    | 25                             |
| Spain                              | 386                    | 26                             |

|          |     |    |
|----------|-----|----|
| Romania  | 354 | 27 |
| Bulgaria | 251 | 28 |

*Source: As for Table 5*

The impact on the UK position from using different beer excise levels is discussed here. The non-draught UK rate of €2,446 per HLPAs generates a composite rate of €3,301. The use of the draught rate of €2,222 generates a composite rate of €3,226 compared to €3,301 on the non-draught rate, a difference of 2.3%. This would still leave the UK in third place in the composite rate league table. Alternatively, a weighted average of the two UK beer excise rates could be used. On the assumption that the beer market is divided 50/50 between draught and non-draught the UK average beer excise would be €2,334 per HLPAs. This gives a UK composite rate of €3,264 compared to €3,301 on the non-draught rate. The composite rate based on the non-draught rate is 1.1% higher than the composite rate based on the average beer excise.

## **7. QUANTITATIVE DIFFERENCES IN EXCISE**

The previous section identified Ireland's high placing in the EU alcohol excise league table. The high Irish alcohol taxation levels compared with the large majority of the EU 27 members and the UK are more clearly illustrated when comparing the levels between the different economies instead of the ranking. In Table 8 and Chart 1 below, we compare the other EU countries to Ireland by magnitude. Ireland is expressed as 100 and the other countries are expressed relative to Ireland. As Finland is the only country with a larger composite rate than Ireland it is the only country with a figure greater than 100. Finland's composite rate is 22.1% greater than Ireland's rate. The UK composite rate is 95.5% of the Irish rate and the UK is in third place. Sweden is in fourth place and is 81.5% of the Irish level. After Sweden, there is a substantial decline in the level of national composite rates. The next highest country is Lithuania which is only 48% of the Irish rate. This is followed by Estonia with a rate of only 43.3% of the Irish composite rate and Belgium at 40.3%. Sixteen EU economies have a composite rate which is less than one quarter of the Irish rate. France is slightly over 25% with a figure of 25.6%.

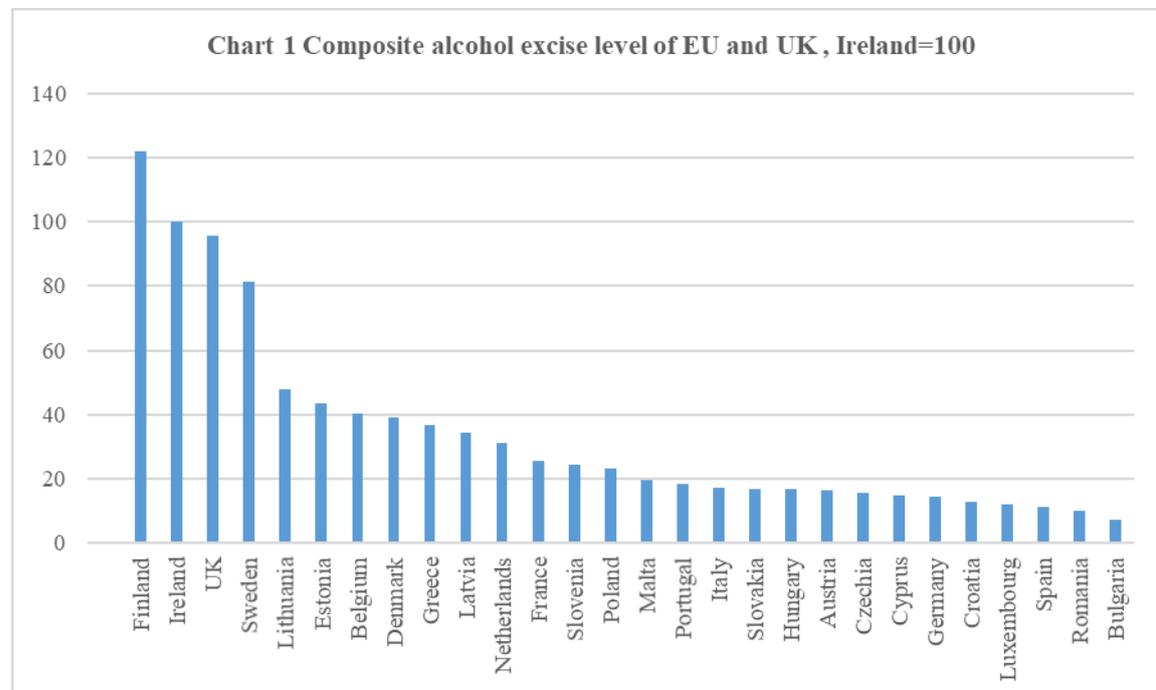
**Table 8 EU Alcohol Tax Rates (Excise) (Euro per HLPA), May 2023 (and August 2023 for the UK), composite level and position relative to Ireland =100**

|                                       | <b>Composite level</b> | <b>Relative to Ireland = 100</b> |
|---------------------------------------|------------------------|----------------------------------|
|                                       | € per HLPA             |                                  |
| Finland                               | 4,222                  | 122.1                            |
| <b>Ireland</b>                        | <b>3,458</b>           | <b>100</b>                       |
| UK<br>(non-draught UK beer rate)      | 3,301                  | 95.5                             |
| UK (average of the two UK beer rates) | 3,264                  | 94.4                             |
| Sweden                                | 2,818                  | 81.5                             |
| Lithuania                             | 1,660                  | 48.0                             |
| Estonia                               | 1,498                  | 43.3                             |
| Belgium                               | 1,392                  | 40.3                             |
| Denmark                               | 1,349                  | 39.0                             |
| Greece                                | 1,267                  | 36.6                             |
| Latvia                                | 1,184                  | 34.2                             |
| Netherlands                           | 1,083                  | 31.3                             |
| France                                | 884                    | 25.6                             |
| Slovenia                              | 843                    | 24.4                             |
| Poland                                | 797                    | 23.0                             |
| Malta                                 | 676                    | 19.5                             |
| Portugal                              | 632                    | 18.3                             |
| Italy                                 | 597                    | 17.3                             |
| Slovakia                              | 588                    | 17.0                             |
| Hungary                               | 585                    | 16.9                             |
| Austria                               | 567                    | 16.4                             |
| Czechia                               | 547                    | 15.8                             |
| Cyprus                                | 519                    | 15.0                             |
| Germany                               | 500                    | 14.5                             |
| Croatia                               | 442                    | 12.8                             |
| Luxembourg                            | 413                    | 11.9                             |
| Spain                                 | 386                    | 11.2                             |
| Romania                               | 354                    | 10.2                             |
| Bulgaria                              | 251                    | 7.3                              |

*Source: As for Table 5*

The UK composite rate is based on the non-draught beer rate. The same data are presented in Chart 1 which shows the outlier positions of the top four countries and

the quantitative gap between these and the other 24 countries. The UK non-draught beer rate is used in the chart.



The main points from the quantitative aspect of the comparison are as follows.

- Finland’s composite rate is 22.1% higher than Ireland’s, €4,222 compared to €3,458. The UK rate is 4.5% below the Irish rate. Sweden’s composite rate is 18.5% below the Irish rate.
- Lithuania has the fifth highest composite excise rate of €1,660 and is 48% of the Irish level.
- Estonia and Belgium have the two next highest composite rates at 43.3% and 40.3% respectively of the Irish rate. In money terms Estonia and Belgium have an average € 1,498 and €1,392 excise per hectolitre of pure alcohol respectively compared to Ireland’s €3,458.
- The top four alcohol excise levels per HLPAs of €4,222 to €2,818 (Finland, Ireland, the UK and Sweden) are substantially higher than the next four highest countries €1,660 to €1,349 (Lithuania, Estonia, Belgium, and Denmark).

- Germany's composite alcohol excise per HLP is €500 or 14.5% of the Irish level.
- France's composite level of €884 is 25.6% of the Irish level.
- Spain's composite rate is €386 or 11.2% of the Irish level.
- Referring to the individual beverages excise levels which are presented in Table 2, we see that Ireland's beer excise tax is 4.5 times the level of Austria, 11.4 times the level of Germany, almost 3 times the level of the Netherlands and 11.3 times the level of Spain.
- Ireland's wine excise tax is 5.7 times the level of Belgium and 2.8 times the level of Denmark.
- Ireland's spirits excise tax of €4,257 per HLP is 2.3 times the level of France which is €1,834 and 4.1 times the level of Italy.
- Ireland's beer excise is very close to the UK draught level, €2,255 in Ireland and €2,222 in the UK (the Irish rate is 1.5% higher), the UK non-draught level is €2,446 which is higher than Ireland. Ireland's spirit excise is much higher than the UK, €4,257 compared to €3,685 (the Irish rate is 15.5% higher) and Ireland's wine excise is €3,862 compared to €3,772 in the UK (the Irish rate is 2.4% higher).

We now present estimates of the excise levied on a selection of drinks in the different countries. The estimates are derived from multiplying the actual Irish excise per drink (to the nearest cent) by the ratio of the excise per HLP of Ireland and the other country. Due to rounding the ratios of the Irish/other countries actual excise per drink ratios are not exactly the same as the ratios of the excise in € per HLP. The reference is to Irish measures of drinks such as a pint. These measures are not the popular measure in other countries. Consequently, the comparison is with excise per pint, for example, in Ireland with a drink of the same size in the other EU countries, even if such measures are not used. This, of course, compares like with like in terms of amount of excise. There are also difficulties in specifying the size of a glass of wine. There are small, medium and large glasses. We use the 187 ml size which is the size of a small bottle in a bar. The details of the excise per drink are in Table 9.

The estimates are rounded to the nearest cent. The rounding process results in some anomalies. For example, the UK excise for draught beer is €2,222 per HLP and the

Irish rate is €2,255 as shown in Table 2. The Irish rate is 1.5% higher than the UK. The Irish excise per pint is €0.55 and the UK figure is 54 cent (rounded) which results in Ireland being 1.9% higher. The different percentages are due to the rounding process.

The features of the excise per drink data mirror, except for the rounding implication, the earlier findings related to league position and quantitative differences based on the excise per HPLA indicator. These excise amounts relate only to excise and do not include the VAT which would be charged on the excise.

The Irish wine position in the table stands out. Fifteen EU countries do not charge excise on wine. Ireland's rate per 187ml glass is 80 cent. As already shown, this is the highest in the EU. After Ireland the next three countries are Finland (79 cent), the UK (78 cent) and Sweden (44 cent). The next highest country, Lithuania, is at 37 cent. Denmark and Estonia follow with 29 cent and 28 cent respectively. As already noted, 15 EU countries have no excise on a glass of wine.

Every country charges a beer excise but there is a large range from 93 cent on a pint of lager in Finland to 5 cent in several countries. 19 countries have a beer excise per pint of lager of less than 20 cent. The Irish level is 55 cent.

Every country charges an excise on spirits. The excise per half glass ranges from 71 cent in Finland to 8 cent in Bulgaria. The Irish level is 60 cent. Thirteen countries have a whiskey excise of less than 20 cent per half glass.

Excise charges on off-licence purchases of bottles of wine or whiskey are very large in Ireland. The whiskey excise per bottle ranges from €14.10 (Finland) to €1.57 (Bulgaria). In Spain, the excise on a bottle of whiskey is €2.69 which is €9.23 lower than in Ireland.

The wine off licence excise per bottle ranges from €3.19 (Ireland) to zero.

**Table 9 Excise on various drinks, EU countries, € and €cent, May 2022**

|                | Standard measure of whiskey in bar | Pint of lager in bar | Pint of stout in bar | Glass of wine in bar/restaurant (187ml) | Off-licence bottle of whiskey 70cl | Off-licence bottle of wine 75cl |
|----------------|------------------------------------|----------------------|----------------------|---|------------------------------------|---------------------------------|
|                | €cent                              | €cent                | €cent                | €cent                                   | €                                  | €                               |
| Finland        | 71                                 | 93                   | 91                   | 79                                      | 14.10                              | 3.16                            |
| <b>Ireland</b> | <b>60</b>                          | <b>55</b>            | <b>54</b>            | <b>80</b>                               | <b>11.92</b>                       | <b>3.19</b>                     |
| Sweden         | 63                                 | 44                   | 44                   | 44                                      | 12.56                              | 1.77                            |
| UK             | 52                                 | 54                   | 53                   | 78                                      | 10.32                              | 3.12                            |
| Denmark        | 28                                 | 16                   | 16                   | 29                                      | 5.65                               | 1.14                            |
| Belgium        | 42                                 | 12                   | 12                   | 14                                      | 8.38                               | 0.56                            |
| Estonia        | 27                                 | 31                   | 30                   | 28                                      | 5.27                               | 1.11                            |
| Greece         | 36                                 | 30                   | 30                   | 0                                       | 7.14                               | 0                               |
| Netherlands    | 24                                 | 19                   | 18                   | 17                                      | 4.72                               | 0.66                            |
| Slovenia       | 19                                 | 30                   | 29                   | 0                                       | 3.70                               | 0                               |
| France         | 26                                 | 19                   | 19                   | 1                                       | 5.14                               | 0.03                            |
| Latvia         | 24                                 | 20                   | 20                   | 21                                      | 4.83                               | 0.83                            |
| Lithuania      | 33                                 | 21                   | 21                   | 37                                      | 6.47                               | 1.49                            |
| Poland         | 21                                 | 12                   | 12                   | 8                                       | 4.20                               | 0.31                            |
| Malta          | 19                                 | 12                   | 12                   | 4                                       | 3.81                               | 0.15                            |
| Italy          | 15                                 | 18                   | 18                   | 0                                       | 2.90                               | 0                               |
| Portugal       | 21                                 | 11                   | 11                   | 0                                       | 4.08                               | 0                               |
| Austria        | 17                                 | 12                   | 12                   | 0                                       | 3.36                               | 0                               |
| Hungary        | 19                                 | 10                   | 10                   | 0                                       | 3.73                               | 0                               |
| Cyprus         | 13                                 | 15                   | 14                   | 0                                       | 2.68                               | 0                               |
| Germany        | 18                                 | 5                    | 5                    | 0                                       | 3.65                               | 0                               |
| Slovakia       | 20                                 | 9                    | 9                    | 0                                       | 3.93                               | 0                               |
| Czechia        | 19                                 | 8                    | 8                    | 0                                       | 3.68                               | 0                               |
| Croatia        | 11                                 | 13                   | 13                   | 0                                       | 2.24                               | 0                               |
| Luxembourg     | 15                                 | 5                    | 5                    | 0                                       | 2.91                               | 0                               |
| Spain          | 14                                 | 5                    | 5                    | 0                                       | 2.69                               | 0                               |
| Romania        | 12                                 | 5                    | 5                    | 0                                       | 2.38                               | 0                               |
| Bulgaria       | 8                                  | 5                    | 5                    | 0                                       | 1.57                               | 0                               |

*Source: As for Table 2. Derived as follows, the ratio of a country's excise per HPLA to Ireland's rate was multiplied by the Irish drink specific euro excise. The Irish excise was rounded to nearest cent and the individual country excise levels were also rounded.*

## 8. IMPACT ON PRICE

The combined VAT and excise impacts on Irish alcohol prices are shown below. The prices, excluding on-licence and off-licence wine, are from the CSO's consumer price

index for July 2023. Wine price details are not included in the CSO average prices data set.

The combined excise and VAT proportion of on-licence prices are 28.4% for a pint of stout, 27.9% for a pint of lager, 30.0% for a standard whiskey measure and 28.8% for a glass of wine. The tax impact on the off-licence sector is much larger. 61.8% of a 70cl bottle of whiskey is accounted for by excise and VAT. The tax impact on an off-licence €11 bottle of wine is 47.7%.

**Table 10 Impact of excise and VAT on Irish alcohol prices. July 2023**

| <b>Alcohol product</b>             | <b>Price May 2022, CSO (except for wine) €</b> | <b>Irish excise €cent</b> | <b>Irish VAT €</b> | <b>Total tax €</b> | <b>Total tax as % of price €cent</b> |
|------------------------------------|--|---------------------------|--------------------|--------------------|--------------------------------------|
| Pint of stout in bar               | 5.52   | 54                        | 1.03               | 1.57               | 28.4                                 |
| Pint of lager in bar               | 5.98   | 55                        | 1.12               | 1.67               | 27.9                                 |
| Standard whiskey in bar            | 5.26   | 60                        | 0.98               | 1.58               | 30.0                                 |
| Glass of wine in restaurant        | 8.00   | 80                        | 1.50               | 2.30               | 28.8                                 |
| Off-licence 70cl bottle of whiskey | 27.66  | 11.92                     | 5.17               | 17.09              | 61.8                                 |
| Off-licence bottle of              | 11.00  | 3.19                      | 2.06               | 5.25               | 47.7                                 |

|      |  |  |  |  |  |
|------|--|--|--|--|--|
| wine |  |  |  |  |  |
|------|--|--|--|--|--|

Source. Average alcohol prices are from CSO's CPI and refer to July 2023 except for the wine prices which are illustrative prices because wine price indicators are not provided in the CPI. Figures are rounded to nearest cent in each box.

The Irish/ other EU countries' excise gaps are very wide as has been shown in this report and this has a substantial effect on Irish alcohol prices. We illustrate this by applying the German excise levels to Irish alcohol products and identifying the price effect. The choice of Germany is used although some other countries operate excise rates which are closer to Ireland, because it is the largest economy in the EU and is generally acknowledged as being well managed from the economic and public financial perspectives. It is also a very large incoming tourism market for Ireland. Spain is also examined because it is a large destination for Irish tourism. The details are presented in Tables 11 and 12. Of course, the same exercise can be undertaken for all of the other countries.

The exercise refers only to the different excise rates. As discussed earlier in this report, the VAT rates on alcohol in Germany and Spain are lower than in Ireland. Applying the German and Spanish VAT rates would to the Irish prices would further reduce the Irish prices. Germany applies a VAT rate of 19% compared to Ireland's 23%. Spain charges a low 10% VAT on alcohol products sold in restaurants and bars and 21% on off-licence alcohol products.

**Table 11 Impact of applying German Excise Rates to Irish prices, €/cent and % impact, July 2023**

| <b>Alcohol product</b>             | <b>Price July 2023, CSO (except for wine) €</b> | <b>Irish excise €cent</b> | <b>German excise €cent</b> | <b>Excise differential €cent</b> | <b>Price reduction (Excise differential plus VAT on excise) €cent</b> | <b>% price reduction from applying German excise level</b> |
|------------------------------------|---|---------------------------|----------------------------|----------------------------------|---|--|
| Pint of stout in bar               | 5.52  | 54                        | 5                          | 49                               | 60  | 10.9   |
| Pint of lager in bar               | 5.98  | 55                        | 5                          | 50                               | 62  | 10.4   |
| Standard whiskey in bar            | 5.26  | 60                        | 18                         | 42                               | 52  | 9.9  |
| Glass of wine in restaurant        | 8.00  | 80                        | 0                          | 80                               | 98  | 12.3   |
| Off-licence 70cl bottle of whiskey | 27.66   | 11.92                     | 3.65                       | 8.27                             | 10.17   | 36.8   |

|                            |       |      |   |      |      |      |
|----------------------------|-------|------|---|------|------|------|
| Off-licence bottle of wine | 11.00 | 3.19 | 0 | 3.19 | 3.92 | 35.6 |
|----------------------------|-------|------|---|------|------|------|

Source. Average alcohol prices are from CSO's CPI and refer to July 2023 except for the wine prices which are illustrative prices because wine price indicators are not provided in the CPI. Figures are rounded to nearest cent in each box.

Application of the German beer excise rate to Ireland would reduce excise on an on-licence pint of stout to 5 cent instead of 54 cent, a direct reduction of 49 cent. This increases to a reduction of 60cent when VAT on the excise is accounted for. The 60 cent reduction is a 10.9% decrease on the current price of a pint. On a pint of lager using the same methodology the price reduction would be 10.4%. A measure of whiskey in a bar would have a price reduction of 9.9% or 52 cent (42 cent excise plus the VAT of 10 cent) if the German excise levels applied in Ireland. The price of a restaurant glass of wine would decrease by 12.3% if the German zero rate was applied. Application of the German spirits excise rate to Ireland on an off-licence bottle of whiskey would reduce excise to €3.65 from €11.92 giving a price a reduction of €10.17 or 36.8% including the VAT impact. Germany does not impose excise on wine and an off-licence bottle of wine priced at €11.00 would have a drop in price of 35.6% or €3.92 if the German zero rate applied in Ireland.

The same price impact exercise is done in Table 12 for Spain. The impact on wine is the same as Germany because both countries do not impose excise on wine. The impact on beer is the same for both countries also because their beer excise rates are very close and on a rounded basis are the same. In the case of whiskey within a bar, the application of the Spanish excise rate would lower the Irish price by 10.8% and on an off-licence bottle of whiskey the Irish price would drop by 41.0% if the Spanish whiskey excise was used.

**Table 12 Impact of applying Spanish Excise Rates to Irish prices, €/cent and % impact, July 2023**

| <b>Alcohol product</b>      | <b>Price May 2022, CSO (except for wine) €</b> | <b>Irish excise €cent</b> | <b>Spanish excise €cent</b> | <b>Excise differential €cent</b> | <b>Price reduction (Excise differential plus VAT on excise) €cent</b> | <b>% price reduction from applying German excise level</b> |
|-----------------------------|--|---------------------------|-----------------------------|----------------------------------|---|--|
| Pint of stout in bar        | 5.52   | 54                        | 5                           | 49                               | 60  | 10.9   |
| Pint of lager in bar        | 5.98   | 55                        | 5                           | 50                               | 62  | 10.4   |
| Standard whiskey in bar     | 5.26   | 60                        | 14                          | 46                               | 57  | 10.8   |
| Glass of wine in restaurant | 8.00   | 80                        | 0                           | 80                               | 98  | 12.3   |
| Off-licence 70cl bottle of  | 27.66  | 11.92                     | 2.69                        | 9.23                             | 11.35   | 41.0   |

|                            |       |       |   |       |       |      |
|----------------------------|-------|-------|---|-------|-------|------|
| whiskey                    |       |       |   |       |       |      |
| Off-licence bottle of wine | 11.00 | €3.19 | 0 | €3.19 | €3.92 | 35.6 |

Source. Average alcohol prices are from CSO’s CPI and refer to July 2023 except for the wine prices which are illustrative prices because wine price indicators are not provided in the CPI. Figures are rounded to nearest cent in each box.

The impact of the combined Spanish low VAT rate on on-licensed alcohol and the lower excise level is illustrated below. The exercise examines the impact of having the Spanish excise and VAT rates applied in Ireland. It is assumed that the non-tax price is the same in both countries. The price of a bar pint in Ireland is €5.52. This is made up of €1.57 in tax and €3.95 industry return. Application of the Spanish low VAT and excise would reduce the price to €4.40, a decrease of 20.3%. This is made up of the industry return of €3.95, excise of 5 cent and VAT of 40 cent (10% VAT rate).

## 9. SUMMARY

The report shows that Ireland has very high alcohol excise rates compared to other EU countries. On the “league table” basis Ireland has the highest wine excise rate, the third highest beer excise rate and the third highest spirits rates in the EU and the UK. On the composite indicator, used in the report, Ireland has the second highest average alcohol excise rate behind Finland. More importantly, the quantitative or monetary gap between Ireland and the large majority of other EU economies on alcohol excise is substantial. Fifteen EU economies have no excise on wine while Ireland has the highest excise on wine in the EU.

- Ireland has the highest wine excise in the EU27 and UK
- Ireland has the third highest beer excise in the EU 27 and UK behind Finland and the UK (using the UK non-draught excise rate or the average of the two UK beer excise rates give the same rank position)

- Ireland has the third highest spirits excise in the EU 27 and UK after Sweden and Finland
- Fifteen EU economies do not impose any excise on wine. In addition, France and Malta have very low wine excise tax
- On an overall composite alcohol excise level (measured by the unweighted average of the different beer, spirits and wine excise rates), Ireland is the second highest behind Finland
- The magnitude of the differences in alcohol excise between Ireland and other EU economies is large. For example, Ireland's beer excise is 11.4 times that of Germany. Irish spirits excise is 4.4 times that of Spain
- Finland's composite rate per HLPAs is 22.1% higher than Ireland's, €4,222 compared to Ireland's €3,458. The UK rate is 4.5% below the Irish rate. Sweden's composite rate is 18.5% below the Irish rate
- Lithuania has the fifth highest composite excise rate of €1,660 per HLPAs and is 48% of the Irish rate
- Germany's composite alcohol excise per HLPAs is €500 or 14.5% of the Irish level of €3,458
- France's composite rate of €884 is 25.6% of the Irish level
- Spain's composite rate is €386 or 11.2% of the Irish level
- Application of the German beer excise rate to Ireland would reduce the price of a pint of stout in a public house by 10.9%, the price of a glass of wine in a restaurant by 12.3% and the off-licence price of a bottle of whiskey by 36.80%
- Application of the German beer excise rate to Ireland would reduce excise on an on-licence pint of stout to 5 cent instead of 54 cent, a direct reduction of 49 cent. This increases to a reduction of 60 cent when VAT on the excise is accounted for
- In Spain, the excise on a bottle of whiskey is €2.69 which is €9.23 lower than in Ireland

Ireland, along with Sweden, Finland and the UK are high alcohol excise countries by EU standards. The size of the excise gap between these four countries and the other

24 EU countries is substantial. On the composite measure, Ireland is the second highest behind Finland.

VAT is levied on excise and the other elements of the price of alcohol products. Usually the standard VAT rate is applied. However, some countries apply a lower rate than the standard rate on specific aspects of the alcohol market, notably alcohol products consumed in bars and restaurants. Ireland charges the standard rate. Ireland's standard VAT rate is relatively high by EU and UK standards. Of the 28 countries, Ireland's rate of 23% is exceeded by only six countries Ireland is a highly taxed economy, in terms of alcohol excise and VAT on alcohol products, in the context of the 28 countries.