

Think Tank: No Incentives for Abandoning Hard Liquor

By [The Moscow Times](#)

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Excise taxes are not a stimulus to get Russian consumers to switch from hard liquor to beer, Vedomosti reported Tuesday, citing the Gaidar Institute, an economic think tank.

In 2009, excises on hard liquor were almost three times higher than those for beer, said Ilya Sokolov, head of the institute's budget policy department.

As a result, the share of hard liquor in total alcohol consumption fell from 80 percent in 1995 to 51 percent by 2010, while the share of beer rose from 14 percent to 38 percent.

But in 2010, beer excise rates tripled and are now almost equal to those for hard liquor, he said.

The average price of beer in Russia is comparable to European prices, while Russian hard liquor prices are lower, according to the institute.

The share of the excise tax in beer prices is 13.8 percent in Russia and 19.1 percent in the EU, while the share of the excise in hard liquor prices amounts to 28.8 percent in Russia and 37.5 percent in the EU.

Alcohol taxation in Russia is aimed only at filling the budget and does not affect the volume of consumption, said Vadim Drobiz, head of the Research Center for Federal and Regional Alcohol Markets.

Beer consumption fell in 2008 and 2009 and started increasing in 2011 despite the threefold jump in excise taxes in 2010, he said.

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