

# Half of All Beer in Russia Is Illegal

By [The Moscow Times](#)

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Russia's state alcohol watchdog has raised the alarm on massive counterfeit beer operations throughout the country after discovering that more than half of all beer and beer-based beverages in the country are produced illegally, Interfax reported Wednesday.

In the first half of this year, 275 million of the 540 million liters of beer and beer-based beverages sold in Russia were of unknown origin, the Federal Service for Alcohol Market Regulation told Interfax.

The drinks in question are legally required to contain at least 40 percent beer, but the regulator claims that many are instead based on ethyl alcohol.

Records indicate that wholesalers are responsible for brewing the illegal batches, the regulator said. The agency seized about 4 million units of illegal beverages this year during raids on wholesalers with the Interior Ministry and the FSB, a successor agency to the

Soviet-era KGB.

There are 2,903 wholesalers of beer beverages in Russia. When inspecting 55 of them, the alcohol regulator found that about 20 were fake vendors created for forging documents to accompany illegal products.

"The sharp rise in the illegal production of alcoholic beverages under the guise of beer-based beverages is the result of a lack of full government control over the licensing of the production and distribution of these products," agency spokesman Alexander Kulikov told Interfax.

The practice is also costing the government in tax revenues, as tax rates on beer-based beverages are substantially lower than those on low-alcohol drinks containing spirits. If the product is sold illegally as well, not even the beer tax is paid.

Kulikov said a proposal for stricter regulation of alcohol licensing had already been prepared and sent to the government.

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