



# Korean National Alcohol Policy: An Evaluation

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## Korean Alcohol Consumption Statistics



Total alcohol consumption per person >than 15 years old

Increased: From **7.9** liters in 2001  
To **14.8** liters in 2011

(World Health Statistics 2013; OECD Health Data 2003)

**67.7%** student binge drinkers in Korea, compared to  
**45%** student binge drinkers in United States  
(2003Chun et al., 2003; Wechsler et al.)



## Slightly Good News



Drinking rate of women >age 19

**Decreased** from 69.8% in 2005 to 67.8% in 2010.

Drinking rate of men >age 19

**Stayed almost the same** from 87.2% in 2005 to 87.7% in 2010.

(Ministry of Health and Welfare, 2012),



## Korean Alcohol Research Statistics



**Korean statistics on alcohol-related cases show a rise in deaths, injuries, and social economic loss resulting from alcohol-related causes**

(Chun et al., 2009a, 2009b, 2009c, 2010a, 2010b; Ministry of Health & Welfare, 2011).

**The claims have arisen that the low price of alcoholic beverages is one of the reasons for an increase in alcohol consumption and its related problems in Korea**

(Chun et al., 2010c; Ministry of Health & Welfare, 2011).

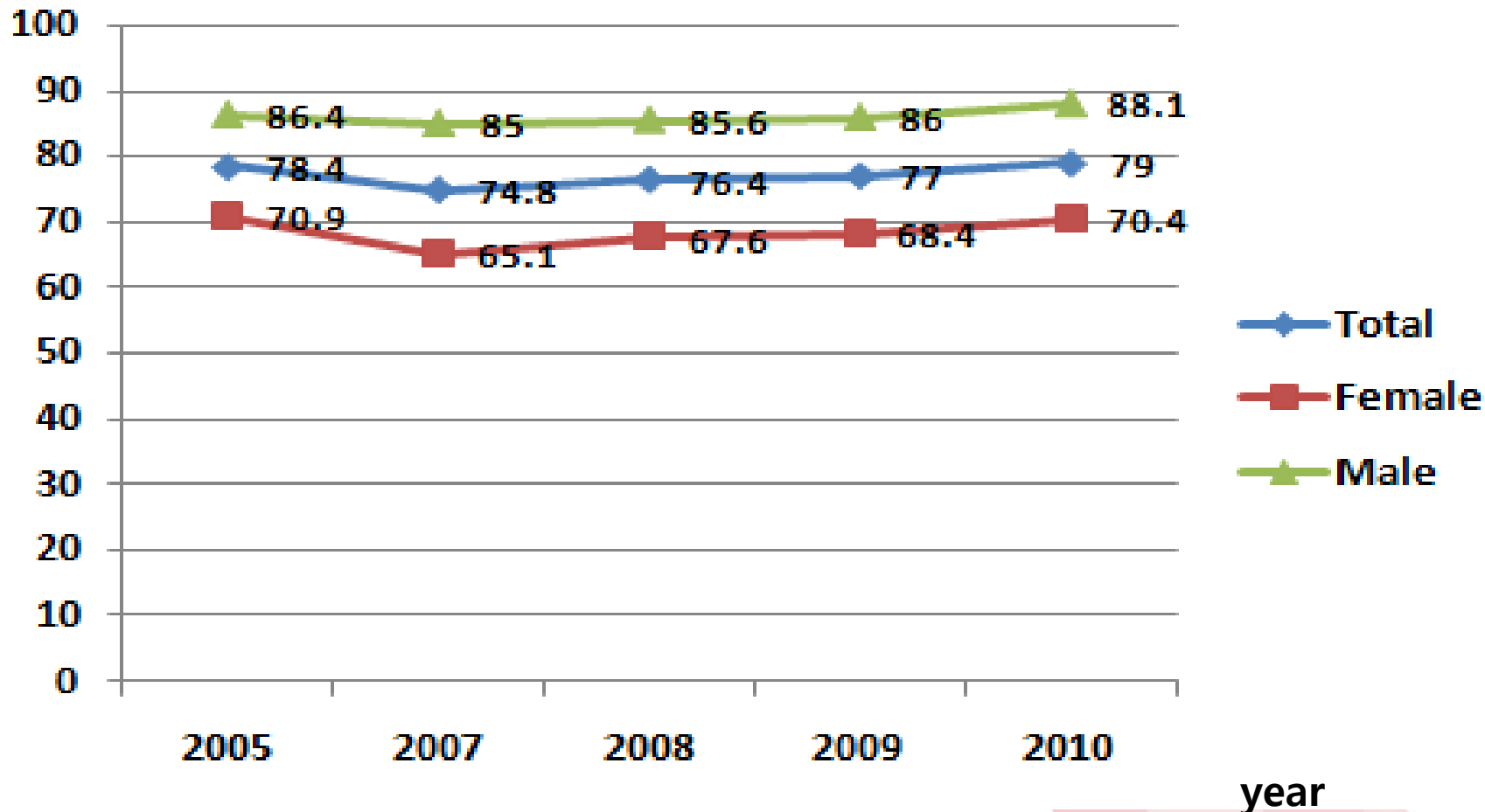
**Therefore, plans to influence an increase of the prices of alcoholic beverages and their taxes have been established**

(Ministry of Health & Welfare, 2011).



# Annual Prevalence of Alcohol Drinking Among Adults (19 years of age and over, by gender)

Unit: %



2011 Korea National Health and Nutrition Examination Survey (KNHANES)

# Background



## Marketing Price Increases



**Natural experiments have shown that increases or decreases in price are likely to be associated with marked decreases or increases (respectively) in per capita alcohol consumption (Cook & Moore, 1993; Chaloupka et al., 1993).**

**Studies have confirmed the price responsiveness of alcohol consumption (Kenkel, 1993, 1996; Manning et al., 1995).**



# Background



## Korean Alcoholic Policy (KAP) tools:

1. - The liquor license system,
2. - Taxation,
3. - Drunk-driving countermeasures,
4. - Control on legal drinking age,
5. - Regulating alcohol advertisement, and
6. - Passive education programs

**to control private and public alcohol consumption, distribution, and manufacturing.**



# THE NATIONAL ASSEMBLY OF THE REPUBLIC OF KOREA





# THE NATIONAL ASSEMBLY OF THE REPUBLIC OF KOREA



# Background



## Major Laws or Acts covering the 6 Categories:

1. **Liquor Tax Law**
2. **Juvenile Protection law**
3. **Road Traffic Act**
4. **National Health Promotion (NHP) Act**





# Background



## Liquor Tax Law

Under **Article 8**,  
Opening a retail store or  
service establishment, or  
a brokering agency,

A liquor license required - in accordance with  
the enforcement ordinances of the  
Korean Liquor Tax Law.



# Background



## Liquor Tax Law

The problem lies in the requirements to obtain a liquor license.

**Off-Premise Liquor Sales Permit Holders,**  
(those who obtain an Off-Premise Liquor Sales Permit, according to the Food Sanitation Act),  
are automatically able to get a liquor sales permit.





# Background



## Liquor Tax Law Loophole

1. Automatically grants a license, just because one registers at the District Tax Office.

(The Liquor Tax Law, Feb. 29, 2008)

Put another way:

2. **Automatically regarded as a licensee upon registration.**





# A Guide to Korean Taxation

MINISTRY OF STRATEGY AND FINANCE

- Chapter VIII: Liquor Tax
- 1. Taxpayer
  - a. Manufacturers of liquor and persons taking over liquor from a bonded area are liable to liquor tax on the liquor carried out of the manufacturing premises or taken out of the bonded area.
  - b. A person who intends to manufacture or sell liquor must get a manufacturing license or a selling license from the government.



# A Guide to Korean Taxation

MINISTRY OF STRATEGY AND FINANCE

- 2. Tax Base
  - a. Spirits (alcohol content 85% or more): the **volume** of liquor carried out of the brewery or taken out of a bonded area
  - b. Liquor other than spirits: the **price** of liquor carried out of the brewery or taken out of a bonded area

# A Guide to Korean Taxation

MINISTRY OF STRATEGY AND FINANCE

- 3. Tax Rates
- a. Spirits (specific tax system) 57,000 won per kℓ (600 won is added for every additional 1% which exceeds 95% of alcohol content)
- b. Other Liquor (ad valorem tax system) : 5% ~ 72%
- \* ex) Takju 5%; Beer 72%; Fruit wine 30%; Whisky 72%



# Korean Commercial Alcohol



Beer 355ml  
500ml  
4.5%

Pure Alcohol  
15.9ml  
**12.6g**

1,650~2,000 Krn Won



Soju 360ml  
Glass 30ml  
20%

Pure Alcohol  
72ml  
**57g**

940~1,500 Krn Won

# Background



## Juvenile Protection Law Foundation

The Juvenile Protection Law banned the sale of alcohol to youth under the **Juvenile Protection Law, Article 2, Clause 4,**

Its foundation is the statement that **“alcoholic beverages are one of the most harmful drugs for youth”** and prohibits **“those who are under 19 years of age from buying alcohol and/or drinking.”**



# Background



## Juvenile Protection Law Restrictions

Article 26, Clause 2 of the Juvenile Protection Law

Restricts youth “from providing personal service (in drinking establishments) such as drinking together, singing, or dancing to entertain customers.”



## Juvenile Protection Law Prohibition

Article 28. (Prohibition of sales (rentals, etc.) of dangerous or potentially harmful substances)

1. No one may sell, rent, distribute or provided free of charge any harmful drugs to youth
2. Those who want to sell, rent or distribute any dangerous substance should determine the legal age of the other party.

# Background



## Juvenile Protection Law Checking & Labeling



Also, **Article 20**, of the Enforcement Ordinance of the Minor Protection Law

**Implements** "checking customers' age when selling any substances that are considered as a harmful drug to juveniles."

Article 22, Clause 1 and 2 of the same law

**Requires** "labeling those drugs which are considered as harmful to juveniles."



# Background



## Juvenile Protection law

Food Sanitation Act, Article 31, Clauses 3 and 4.

Prohibits:

1. "an act of allowing a minor access to licensed liquor establishments" and
2. "any act of providing any alcoholic beverages to children"



# Background



## Road Traffic Act



Article 44, Clause 1 of the Road Traffic Act:

clearly prohibits driving while one is intoxicated.

Clauses 2 and 3:

require breathalyzer tests.

Clause 4:

determines the standard of intoxicated driving at:

**BAC (Blood Alcohol Content) of 0.05% or above.**



# Background



## Public Health Promotion Act



Article 7 of the Public Health Promotion Act reserves:

**“the authority to order one, whose advertisement could mislead the public view of health, to change or ban the deleterious advertisement.”**





# Background



## Public Health Promotion Act Regulations

Liquor Tax Law, Enforcement Ordinances of the National Health Promotion Act, Article 10, and Clause 2.

Regulations on the content of alcoholic beverage advertisements are included in these Ordinances.



# Background



## Public Health Promotion Act



In Article 8, Clauses 1 and 2 of this NHP Act,

“both national and local governments should publicize and educate the public about the harmful effects and impact of overdrinking” and

“support any corporation or group which researches on the process of educating the public in moderate drinking habits.”



# Background



## Public Health Promotion Act

In Clause 4, it clearly states the legal requirement

“to post special mandatory warnings on alcoholic beverage containers about the harmful effects of overdrinking.”



# Method



To investigate the changes in alcohol consumption, the alcohol consumption of each type of liquor per capita for aged 15 and over during the same period was calculated.

The data for alcohol delivered quantity was collected from the National Tax Service (2011).

The data for alcohol delivered quantity with the price amount was obtained from the Korea Alcohol & Liquor Industry Association (2011).



# Method



The quantity of imported alcoholic beverages were added to the delivered quantity of each type of alcoholic beverage from National Tax Service;

and the delivered quantity and price amount of imported alcoholic beverages were added to the delivered quantity and price amount of each type of alcoholic beverages from KALIA.



# Method



To calculate the unit price for each type of alcoholic beverage, Alcohol by Volume was applied.

In the calculation, a factor of 0.789 was applied for alcohol density in this study.



# Results



**Table 1 The changes in the alcohol consumption per capita for aged 15 and over in a year (1990-2009) (Kg)**

year	Soju	Beer	Spirit	Wine	Cheongju & Yakju	Takju	Others	Total
1990	4.339	1.294	0.127	0.027	0.135	1.112	0.231	7.265
1991	4.123	1.541	0.184	0.027	0.148	0.856	0.119	6.998
1992	4.330	1.508	0.253	0.036	0.179	0.722	0.004	7.032
1993	4.390	1.423	0.209	0.029	0.169	0.603	0.003	6.826
1994	4.446	1.643	0.241	0.025	0.173	0.557	0.003	7.087
1995	4.353	1.693	0.435	0.039	0.149	0.450	0.005	7.123
1996	4.429	1.683	0.531	0.034	0.142	0.381	0.007	7.207
1997	4.691	1.598	0.462	0.047	0.134	0.331	0.002	7.266
1998	4.364	1.341	0.336	0.021	0.121	0.322	0.004	6.509
1999	4.679	1.362	0.411	0.032	0.144	0.286	0.005	6.920
2000	4.059	1.480	0.499	0.038	0.153	0.269	0.007	6.504
2001	3.635	1.493	0.678	0.042	0.164	0.232	0.010	6.255
2002	3.972	1.629	0.664	0.059	0.198	0.220	0.014	6.756
2003	4.215	1.582	0.478	0.074	0.216	0.228	0.014	6.808
2004	3.986	1.646	0.395	0.084	0.210	0.264	0.013	6.598
2005	3.961	1.494	0.404	0.096	0.191	0.270	0.013	6.428
2006	4.045	1.511	0.403	0.109	0.179	0.273	0.016	6.537
2007	3.915	1.576	0.447	0.145	0.149	0.274	0.020	6.526
2008	3.939	1.619	0.420	0.132	0.130	0.277	0.021	6.538
2009	3.611	1.558	0.358	0.107	0.118	0.406	0.025	6.183

Note: 1) Population and Housing Census Report was provided by Statistics Korea. The figures after 2005 are population projections.

Foreigner was included.

2) Data on indigenous alcohol delivered quantity were obtained from the National Tax Service.

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# Results



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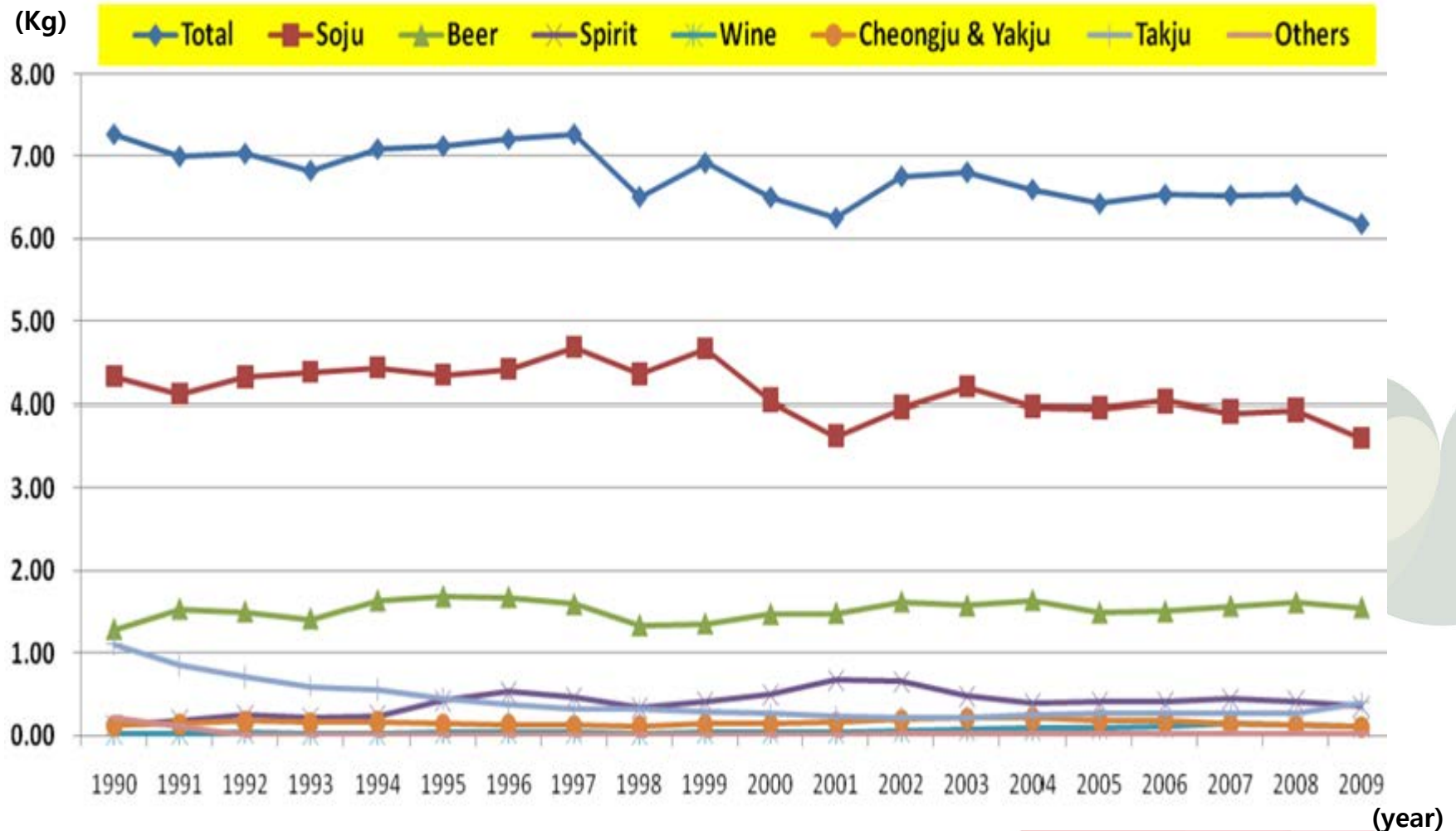
# Results



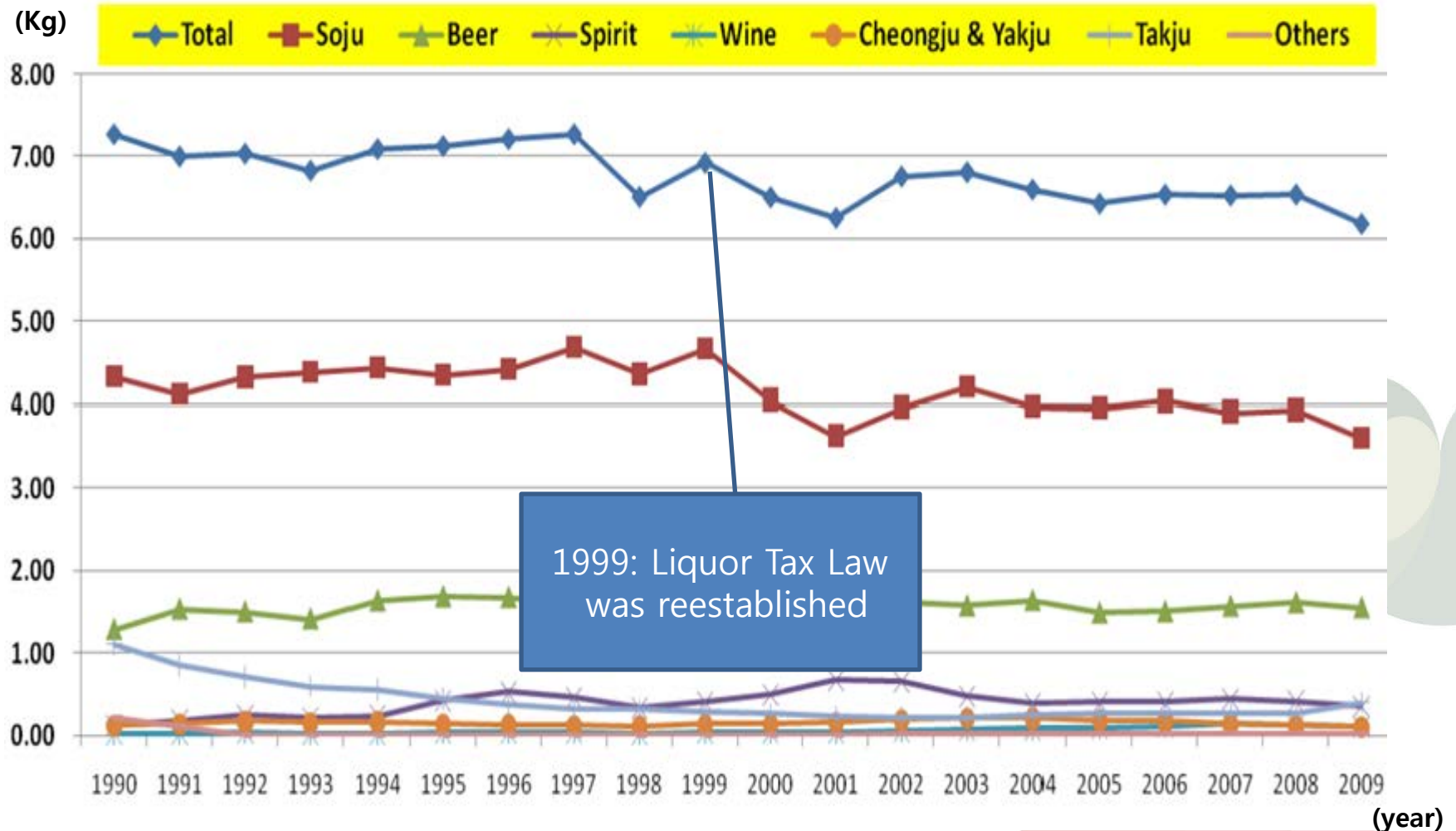
Total consumption of beverage had been decreased steadily since 1990, from 7.265 Kg in 1990 to 6.183 Kg in 2009.



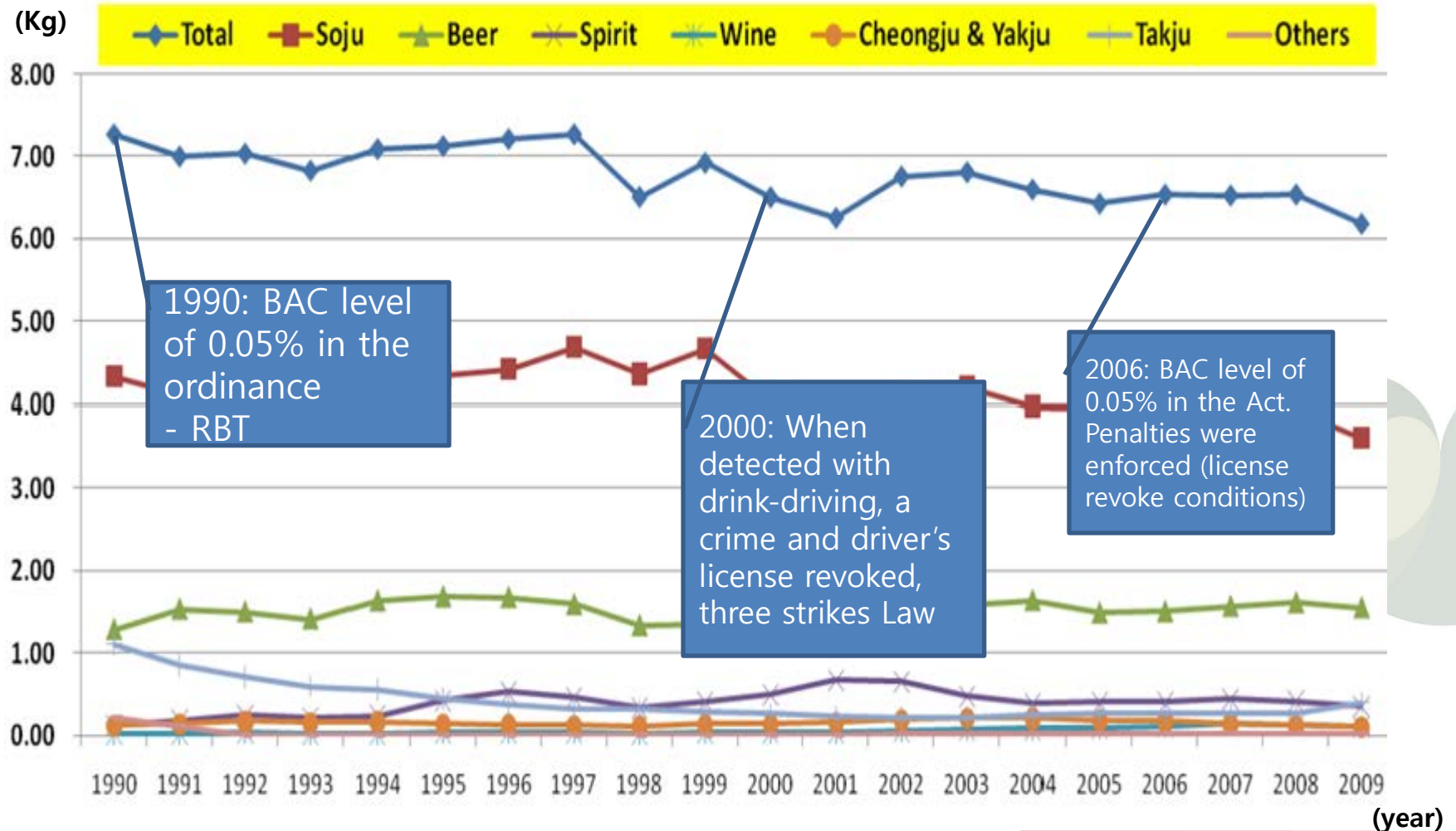
# Consumption of Alcohol per capita for aged 15 and over 1990-2009 (based on converted quantity)



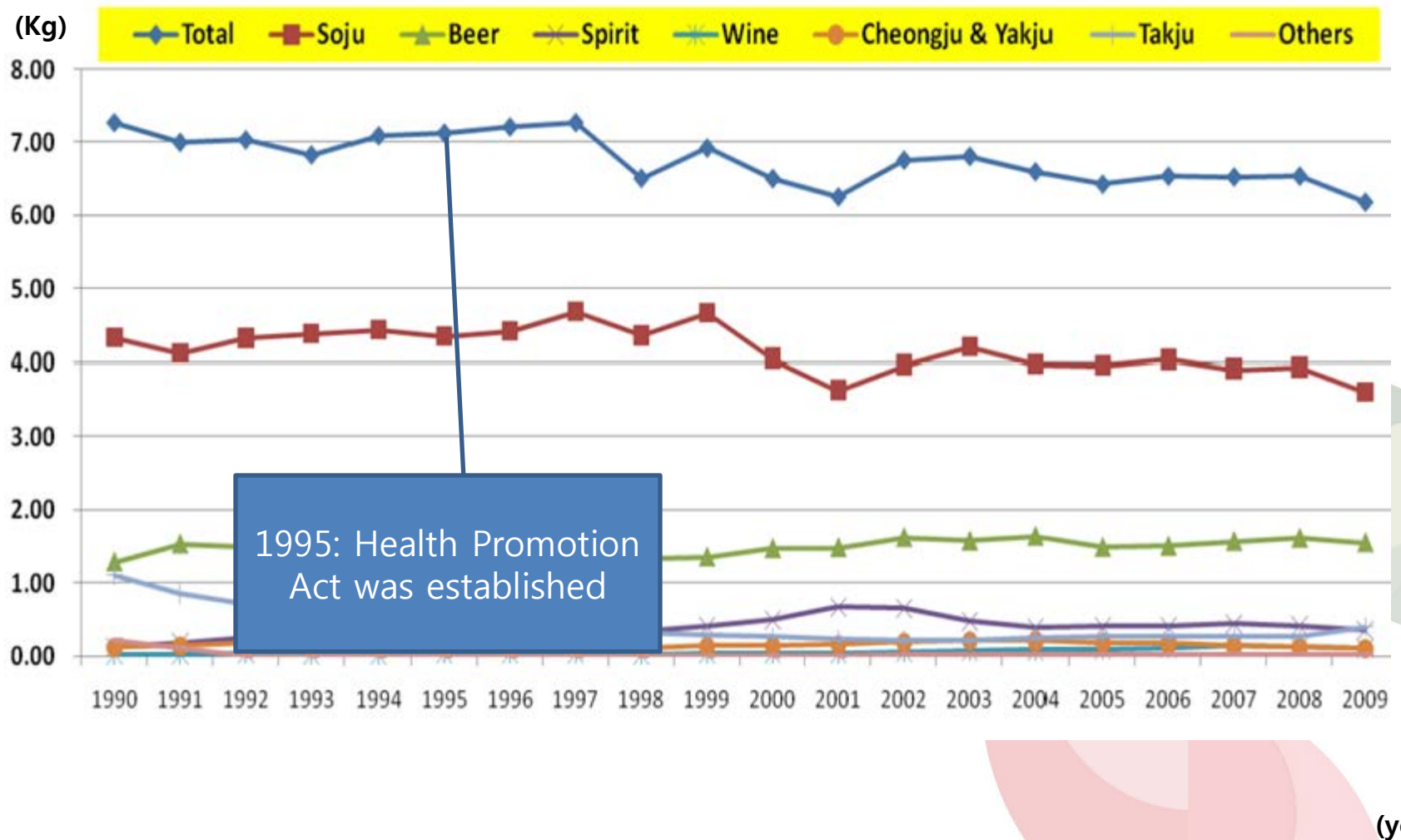
# Consumption of Alcohol per capita for aged 15 and over 1990-2009 & Liquor Tax Law



# Consumption of Alcohol per capita for aged 15 and over 1990-2009 & Road Traffic Act



# Consumption of Alcohol per capita for aged 15 and over 1990-2009 & Health Promotion Act



# Results



Especially after Health Promotion Act was established in 1995, alcohol consumption level was dropped effectively.



# Conclusion



Thus, the ways to effectively reduce harmful use of alcohol in Korea are through a radical price increase in all alcoholic beverages and restriction policies of license on- and off- premise.









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