



Voluntary Report - Voluntary - Public Distribution

Date: August 13, 2024

Report Number: FI2024-0001

## Report Name: Finland Takes Steps to Ease Alcohol Regulations

**Country:** Finland

**Post:** The Hague

Report Category: Beverages, Promotion Opportunities, Wine, FAIRS Subject Report

Prepared By: Marcel Pinckaers

Approved By: Laura Geller

## **Report Highlights:**

The Finnish Government wants to reform its alcohol policy to promote fair and open competition. It is therefore proposing that the alcohol monopoly ALKO and Finnish food retailers can sell alcoholic beverages online and deliver to a location indicated by the buyer. The proposal would equalize the status of domestic operators, in relation to foreign alcohol sellers, since, in the past, it was possible to purchase alcohol for delivery from foreign alcohol sellers, but not from domestic alcohol sellers.

On July 5, 2024, the European Union published a <u>TRIS notification</u> from Finland regarding a <u>government proposal to amend the Finnish Alcohol Act</u>. TRIS (Technical Regulation Information System) enables EU Member States and the European Commission to address potential trade barriers within the EU arising from national legislation on goods and services.

Last year, under <u>Prime Minister Petteri Orpo</u>, the Finnish coalition government approved <u>significant</u> <u>changes to the country's alcohol laws</u> to increase competition and liberalize markets. The latest proposed amendments to the Alcohol Act include:

- New provisions will allow domestic retail outlets to deliver alcoholic beverages directly to the buyer's chosen location, which is not permitted under current legislation.
- Alcoholic beverages could be delivered to the purchaser at any specified location with a special license for delivery. Currently, alcohol can only be sold at licensed retail outlets or premises.
- Fermented beverages up to eight percent alcohol and other drinks up to 5.5 percent alcohol can be ordered from domestic retail outlets. Stronger beverages would still need to be ordered from <u>ALKO</u>.
- The proposal aims to equalize the status of domestic operators with foreign alcohol sellers, who were previously able to deliver alcohol under certain conditions while domestic sellers could not.

"This is the next, still very moderate step towards easing alcohol regulation towards a European standard. Above all, it is about making everyday life easier. Given that people are increasingly doing their grocery shopping and ordering restaurant food through online delivery services, this change is a welcome deregulation measure. However, alcohol deliveries would be implemented responsibly. Deliveries would be subject to a license and to monitoring. Delivering alcoholic beverages to minors or intoxicated people would not be permitted," <u>said Minister of Social Security Sanni Grahn-Laasonen</u>. An impact assessment and draft text of the proposal are attached in the report.

In addition to these reforms, the government in Finland also plans to revise alcohol taxation. Beer taxes will be reduced, which is expected to decrease state revenue by 25 million euros. To counterbalance this, taxes on distilled spirits and wine will be increased, projected to bring in an additional 40 million euros. Additionally, Finnish retailers can sell mild wines with up to eight percent alcohol. These wines are becoming more popular, as they meet the growing demand for beverages with no or low alcohol.

These changes represent a shift from Finland's traditionally strict alcohol regulations towards a more liberalized approach. Small and artisan breweries, micro-distilleries, and vineyards will be allowed to sell their products directly to consumers with a retail sales permit.

The Swedish government is also proposing an amendment to allow on-farm sales permits holders to retail self-produced alcoholic beverages. More details are available in the TRIS notification from Sweden, titled "Draft Act amending the Alcohol Act."

For more background information on the distribution of alcoholic products in Finland, refer to the <u>Finland Exporter Guide</u>. This report provides an overview of the Finnish food industry, market trends, and demands, along with references to useful legislation and resources.

For additional information on Sweden's alcohol market, including Systembolaget's purchase process, labeling, and sustainability guidelines, as well as an analysis of 2022 sales data by product group, consult the <u>Swedish Alcohol Purchasing Process – Overview of Systembolaget</u> and the <u>Sweden Exporter</u> <u>Guide</u>.

## Attachments:

Impact Assessment of the Proposal.pdf