

# Denmark

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Thomas Karlsson and Esa Österberg (2002)

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## **The country**

Denmark is the southernmost of the Scandinavian countries, occupying the peninsula of Jylland and the islands of Bornholm, Falster, Fyn, Langeland, Lolland, Møn and Sjælland in the Baltic Sea as well as several smaller islands. It is bounded on the west by the North Sea, on the north by the Skagerrak, on the east by the Kattegat and the Øresund strait, and on the south by the Baltic Sea. On the south Denmark is also bordered by Germany. Since decades there has been a lively ferry traffic between Denmark and Sweden, but nowadays Denmark is also connected to Sweden with a bridge between Copenhagen and Malmö. The Faroe Islands and Greenland are autonomous regions of Denmark. Excluding these islands, Denmark has an area of 43,094 km<sup>2</sup>. Copenhagen is the capital and the largest city.

Denmark has 5,4 million inhabitants, and the overall population density is 125 persons per km<sup>2</sup>. Approximately 85 per cent of the Danish population lives in urban areas. The official language is Danish. Lutheranism, the established religion of Denmark, is adhered to by 84 per cent of the Danes.

Denmark has traditionally been an agrarian country. Especially since the end of the Second World War manufacturing and services have gained in importance. Germany is Denmark's leading export and import partner. Also the United Kingdom is one of the largest importers of Danish products. In 2003 about 16 per cent of the Danish population worked in the industry, approximately 4 per cent in the agriculture and about 73 per cent in the service trades (Statistics Denmark).

Denmark is a constitutional and hereditary monarchy. National executive power is nominally vested in the Danish sovereign, but the real head of the government is the prime minister. Legislative power in Denmark is vested jointly in the sovereign and in a unicameral parliament, called Folketinget. The legislative term is four years. The parliament has 175 popularly elected members. The Faroe Islands and Greenland are each represented by two members. For administrative purposes, Denmark is divided into 13 regional counties and 271 municipalities. By January 2007 Denmark will be divided into 5 regions and approximate 100 municipalities.

## **Alcohol production and trade**

Beer and distilled spirits belong to the traditionally produced alcoholic beverages in Denmark whereas wine has not been produced at all with the exception of fruit wines. During the last century beer was produced both in breweries and on a household basis. The number of households producing beer decreased, however, very rapidly at the be-

ginning of the twentieth century (Thorsen, 1995). Nowadays, home production of any alcoholic beverages is uncommon.

The Danish brewing industry has been and indeed still is of importance to the Danish economy. Domestic beer market has throughout the study period been dominated by two companies, Tuborg and Carlsberg, which merged in 1970. After several additional mergers and company acquisitions, especially during the 1990s, the Carlsberg Breweries in the year 2003 included 91 breweries in 47 countries, with a total beer production of 80 million hectolitres. Carlsberg Breweries, which is among the five biggest brewing companies in the world, employed 31.500 people world-wide in 2003 (Annual report 2003). Since 2003 Carlsberg has been the fastest growing international beer trade in the world (Canadean, Global Beer Trends).

In 2002 the total beer production in Denmark was 8,5 million hectolitres. At the beginning of the 1950s the corresponding figure was 3.5 million hectolitres, in the mid-1960s about 5 million hectolitres, in the mid-1970s about 9 million hectolitres and in the mid-1990s about ten million hectolitres. In the mid-1960s about 1 million hectolitres of beer was exported annually. By 1975 this figure had grown to 2.2 million hectolitres. After a downward swing in the 1980s, the exports of beer began to grow again, in 1995 they reached the amount of 3.1 million hectolitres, and in 2003 3.5 million hectolitres (Statistics Denmark). At that time about 35 per cent of the Danish beer production was exported, the Baltic States being the most important destination. In 1995 30 per cent of the Danish beer production was exported. Imports of beer have been on a very low level constituting of less than half per cent of the Danish beer consumption in the 1970s and 1980s as well as in the early 1990s. However imports of beer have been rising with 50 per cent from 1998 till 2003 (Statistics Denmark)

The Danish Distilleries (De Danske Spritfabrikker) had a very strong position up till 1973 when it lost its production and import monopoly status. The monopoly status was not motivated by preventive alcohol policy considerations. The foremost products of the Danish Distilleries were different kinds of schnapps or aquavits, but also different kinds of fortified wines were produced. Since 1999 the Danish Distilleries have been a part of the multinational Swedish owned V&S Vin og Sprit AB Concern. Sales of distilled spirits have decreased substantially in Denmark since the mid-1970s. In 1975 some 215,000 hectolitres of distilled spirits were sold in Denmark, whereas the corresponding figure in 1995 was 140,000 hectolitres. In 1975 nearly 160,000 hectolitres of distilled spirits were produced in Denmark. In 1995 the corresponding figure was 100,000 hectolitres. Since 1975 imports of distilled spirits have decreased from 58,000 hectolitres to 40,000 hectolitres. The market share of imported products has however increased from 26 per cent to 29 per cent.

By 2000 the Ready-To-Drink products were introduced in Denmark. Since then sales of spirits in general has increased. Sales rose even more in 2003, when the Danish government decided to lower taxes on spirits with 45 per cent. The intention was to counteract trade across the Danish-German border. In 2004 sales of spirits has increased with 33 per cent in total. Alcopops has increased with 24 per cent and liquor (for instance Baileys) with 83 per cent. The consumption of foreign spirits has increased with around 80 per cent from 1995 till 2003 (Statistics Denmark). In 2005 the Danish government

introduced an additional tax on Ready-To-Drink products estimated to 7.3 million EURO yearly.

By far the greatest amount of wine consumed in Denmark is imported. Both in 1975 and in 1995 the market share of imported wine was 91 per cent (Hurst, Gregory & Gussman, 1997). Earlier the only wines produced in Denmark were fruit wines. But changes in the Scandinavian climate have made it possible to produce wine in Denmark. In 2000 Denmark was sanctioned as a wine producing country by the EU. In 2003 Denmark has produced 72 hectolitres wine (Danish Directorate of Provision Trades).

### **Alcohol consumption**

Up till 1917 distilled spirits were the primary kind of alcoholic beverages consumed in Denmark. Then a very heavy taxation of distilled spirits imposed during 1917 and 1918 changed the consumption pattern dramatically. The per capita consumption of alcohol decreased from 9.6 litres per inhabitant aged 15 years and above in 1916 to 2.2 litres in 1918. This decrease was mainly due to a fall in the consumption of distilled spirits. Before 1917 distilled spirits accounted for two thirds of the total alcohol consumption, while after 1918 they only accounted for less than 20 per cent. Beer had accounted for 30 per cent of the total alcohol consumption before 1917. In 1918 this figure rose to 83 per cent even if the amount of beer consumed declined by a third because also the taxes on beer were increased although to a much lower degree than the taxes on distilled spirits. Before 1917 wine represented some 3 to 4 per cent of total alcohol consumption. In the late 1920s the corresponding rate was about 6 per cent.

The overall level of alcohol consumption had had a decreasing trend from the second half of the nineteenth century, and what happened in 1917 and after reinforced this trend (Thorsen, 1990). The very heavy taxes on alcoholic beverages, later known as the Danish System, was not initially an alcohol control measure implemented to prevent alcohol-related problems. It was a measure taken during the wartime for securing sparse raw materials for food and heating instead for the production of alcoholic beverages. When the very heavy taxes on distilled spirits were introduced, the political decision-makers promised that the taxes would be lowered later on. This, however, never happened.

Since 1950 total alcohol consumption has increased substantially in Denmark. In 1983 the per capita consumption of alcohol was nearly three times as high as in 1950. After 1983 alcohol consumption decreased slightly. Since 1990 it has stayed more or less on the same level (Table 5.1; World Drink Trends, 2002). Since 1970 Denmark has had the highest per capita consumption of alcoholic beverages in Scandinavia. In 2003 the consumption in Denmark was 9.4 litres 100 per cent alcohol (Statistics Denmark, 2004).

In 2004 Danes drank less alcohol, but stronger beverages.

In 2004 the consumption was 9.3 litres 100 per cent alcohol. That's 0.8 percent less than previous year. From year 2003 to 2004 beer consumption decreased with 4.6 per cent, wine consumption decreased with 1.4 per cent, spirit consumption increased with 15.9 per cent, all figures estimating pure alcohol. (Statistics Denmark 2005)

Table 5.1. Consumption of alcoholic beverages by beverage categories in Denmark in litres of pure alcohol per capita and as percentages of total recorded alcohol consumption in the years 1955, 1965, 1975, 1985 and 1995, five years' averages

1965	1975	1985	1995*	2000	2004
5.21	8.83	10.10	10.29	9.5	9.3
0.91	1.71	1.55	1.09	1.14	1.51
0.59	1.50	2.37	3.28	3.68	3.58
3.71	5.62	6.18	5.92	4.68	4.22
18	19	15	11	12	16
11	17	24	32	39	38
71	64	61	57	49	46

\* The figures for the consumption of beer, and consequently for total alcohol consumption are slightly different in Hurst, Gregory and Gussman (1997, 102) and in World Drink Trends (2002, 52). According to World Drink Trends the 1995 figure for total alcohol consumption per capita is 9.9 litres.

Sources: Hurst, Gregory and Gussman, 1997; World Drink Trends, 2002.

Also the consumption of beer increased from the early 1950s to 1983 when nearly 140 litres of beer was consumed per capita. Since then beer consumption has decreased and nowadays it is approximately 100 litres per capita a year. The proportion of beer consumption of total alcohol consumption has been on the decrease. In the mid-1950s beer accounted for 77 per cent of the total alcohol consumption. In the late 1990s the corresponding figure was 51 per cent.

During the 1950s the consumption of distilled spirits stayed about the same. It was on the increase in the 1960s and in the first half of the 1970s, reaching a figure of 1.9 litres of pure alcohol per capita in 1976. In the mid-1980s some 1.6 litres of distilled spirits was consumed per capita, but by the late 1990s the consumption of distilled spirits had decreased to 1.1 litres of pure alcohol per capita a year (World Drink Trends, 2002). In 2003 the consumption has increased to 1.3 litres pure alcohol per capita a year (Information on the Nordic Alcohol Market, 2004).

The consumption of wine has increased in Denmark almost constantly since the early 1950s. This means that the proportion of wine of total alcohol consumption has also been on the increase. In the 1950s the consumption of wine accounted for one tenth of the total alcohol consumption. In the late 1990s the corresponding rate was one third. In 2000 wine consumption in Denmark was 30 litres per capita (World Drink Trends, 2002).

Official Danish figures for alcohol consumption are affected to some extent by purchases of alcoholic beverages by visitors from other Scandinavian countries, especially from Sweden. This has become more common after Sweden joined the EU in 1995. It is estimated by the Ministry of Finance that in 2000 some 30 million litres of beer was purchased in Denmark by Swedes. In the same year the Danish cross-border shoppers purchased some 120 million litres of beer and approximately 30 million litres of wine

from Germany. These figures indicate that nearly 20 per cent of the beer and wine consumption in Denmark constituted of private alcohol imports (see also Bygvrå, 2000). Consequently, the total amount of unrecorded alcohol consumption was approximately 2 litres per capita (see also Leifman, 2001; Trollidal 2001). Private imports of beer and wine from Germany by Danes became more common from the mid-1980s on when the allowances for Danish travellers to import beer and wine from Germany on short trips without paying taxes on them in Denmark increased markedly (for more details see Bygvrå & Hansen, 1987; Thorsen, 1988; Bygvrå 1992; Milhøj, 1993).

In the late 1970s, 10 per cent of women and 3 per cent of men over 16 years of age said that they never drank alcoholic beverages, whereas the respective figures in mid-1980 were 3 per cent for men and 7 per cent for women. A significant proportion of drinkers consume alcohol every day (Simpura & Karlsson, 2001). In 1996, 26 per cent of adult Danish men and 11 per cent of women said that they drank usually 4 times or more per week. Women's share of alcohol consumption has varied around 30 per cent (Mäkelä et al., 1999). In general there are no changes in the consumption for men over 16 years of age from 1994-2000. However there are two exceptions from this, namely young men from 16-24 years and men above the age of 67 (Statistik 2002: Alkohol, Narkotika og Tobak). 21 per cent of the young age group state, that they have 21 drinks or more per week, while the National Board of Health recommends grown up males to have maximally 21 drinks weekly. 13 per cent of the girls in the same age group say they drink more than the recommendations, which are 14 drinks per week for grown up women (MULD-rapport, nr. 4, 2003).

Approximately two thirds of the consumption of alcoholic beverages occurs with meals, although this varies according to type of beverage. About 60 per cent of all beer consumption takes place at meals. The corresponding figures for wine and distilled spirits are 70 per cent and 45 per cent, respectively. Off-premise consumption accounts for about 85 per cent of the consumption of distilled spirits and wine. The corresponding figure for beer is 75 per cent (Hurst, Gregory & Gussman, 1997).

In the late 1980s consumption of alcoholic beverages was 146 litres per capita and year. At the same time the consumption of commercial non-alcoholic beverages was 416 litres per capita a year. Plain water is not included in these figures. By 2000 the consumption of alcoholic beverages had slightly decreased to 134 litres and the consumption of commercial non-alcoholic beverages had increased to 496 litres. The consumption of commercial non-alcoholic beverages consisted of 173 litres of coffee, 108 litres of milk, 85 litres of soft drinks, 74 litres of juices, 45 litres of tea and 11 litres of bottled waters. During the last decade the consumption of juices has increased by 53 litres, that of soft drinks by 39 litres, that of milk by 7 litres and that of waters by 2 litres. The consumption of coffee has decreased by 15 litres and that of tea by 6 litres (World Drink Trends, 2002).

### **Administrative structure of the alcohol control system**

In Denmark public attitudes towards alcoholic beverages focus on the need for individual self-control and responsibility in drinking. Consequently, the alcohol issue is not a big public or political issue, and has not been since the first couple of decades of the

twentieth century. Things have changed. By the turn of the millennium alcohol has become an issue of concern for politicians, health scientists and a subject in the media of high priority. Extensive consumption of alcohol is more and more regarded as a problem, especially in relation to young people. Danish teenagers between 15 and 16 years have held the record in drinking among 35 European countries since the late 1990s. From 1999-2003 consumption has decreased among the same age group. However they still hold the record in extent of consumption, in drinking frequency, as well as in alcohol related problems. (ESPAD 1997, 2000, 2003).

Danish temperance movement, which had had a rather strong footing at the turn of the nineteenth to the twentieth century, strongly diminished after the First World War. Its *raison d'être* seems to have disappeared as the amount of alcohol-related problems fell sharply after the sharp increases in taxes on distilled spirits in 1917-1918. Having had 193,000 members, approximately 7 per cent of the population, in 1915 the corresponding figure had decreased to 159,000 by 1925 and further to 84,000 or 2.2 per cent of the population in 1935. Since then the temperance movement has played a minor part in Denmark. At the beginning of the 1990s there were only approximately 11,000 persons organised in the temperance movement, equalling 0.2 per cent of the total population. At the beginning of the 2000s approximately 4,000 persons were organised in the temperance movement.

At the beginning of the twentieth century alcohol policies seem not to have been of big importance. There were laws, of course, that had alcohol control implications, e.g. the laws regulating on-premise sales, and there were a couple of ad hoc commissions on the alcohol issue. As many other countries Denmark also had a local option. From 1924 the municipalities in the countryside could each choose to run their own public referendum allowing or disallowing off-premise and on-premise sales of alcoholic beverages. This option, however, was seldom used. In 1925 there were 43 referendums. In 1943 the corresponding figure was 15. When the local option was abolished by law in 1970 it had not been used for years.

As mentioned earlier, alcohol policies did not have a very strong standing in the Danish society at the beginning of the twentieth century. During the 1930s and 1940s the prevention of alcohol problems was seen in terms of imposing disciplinary measures or punishing the heavy drinkers or the drunkards in order to keep them away from the bottle, and thereby restricting the damages they could impose on themselves and others. People known to be addicted to alcohol could have their civil rights taken away by the authorities. Punishments like these might be seen as some kind of general prevention as well, functioning as a threat to others who otherwise might turn to heavy drinking. But the prevention of alcohol problems was not part of the political discourse in the 1950s.

The Ministry of Education had an adviser on alcohol issues for the schools during the years 1969-1984, and in the first half of the 1970s the ministry had eight local consultants. In 1963 the Ministry of the Interior, being responsible for health services and health-related policies, established a position of an adviser on alcohol issues, including the prevention of alcohol problems: The budget, however, was low and the advice given was seldom implemented. In 1971 the adviser resigned. Four years later alcohol was brought into the terms of reference of an advisory council that had been established earlier for combating drug abuse among young people. Since then there have also been

other central councils and non-permanent committees dealing with different aspects of preventive activities.

According to law, prevention of several kinds of problems, alcohol-related problems amongst them, can be considered especially the task of the 271 municipalities. Also counties, as well as the central authorities, take part in the preventive activities, having special committees, employing personnel, making reports, plans, running campaigns, and coordinating activities across sectors and counties.

Laws that have provisions aimed at preventing alcohol problems are the Restaurant and Hotel Law, the Road Traffic Act and the Primary Education Act. The Ministry of Health has during the last 10 to 15 years prepared comprehensive programmes for prevention of different problems, including alcohol problems. For instance, in 1988 a sub-committee on alcohol-related problems and policies was established. In 1989 the sub-committee suggested the maintenance of high alcohol taxation, it supported health education and health promotion efforts on national and sub-national level and it spoke for limitations on alcohol advertising.

In 1994 a contact committee on alcohol policy was set up. The committee administered 30 million Danish crowns for fighting alcohol misuse. The committee consisted of politicians and two representatives from private prevention organisations. An alcohol policy forum had also been established in 1992. In 1996 it was replaced by a council with representatives from different prevention organisations (Hurst, Gregory & Gussman, 1997). The contact committee was abolished in 2001.

A health programme was launched in 1999. It stipulated different targets and means, but, as there are no financial resources earmarked for the means and measures, the programme could be regarded as a political statement more than an activity plan. In the end, it is up to the different agents in different services and administrations to act as decision-makers and to prioritise public health and the prevention of alcohol problems. In 2002 a new public health programme was introduced by the new government. It states the opinion that alcohol consumption is a cultural question, and consequently the Danish culture is described as very loose and tolerant. In relation to teenagers the responsibility of the parents as well as of the alcohol industry is emphasized.

Danish memberships in different international organisations, for instance in the European Free Trade Association (EFTA) and the European Union (EU), have contributed to the way the taxation and price policies have been formed in Denmark. For instance, alcohol taxes were lowered in 1962 as a consequence of Denmark's membership in the EFTA. When Denmark joined the EU in 1973, the excise duties on wine and fortified wine were lowered. The lower taxation of Danish aquavits compared to the taxation of foreign distilled spirits was removed in 1980 due to a judgement of the European Court of Justice. Creating the internal market meant a more or less free flow of goods, including alcohol, across the borders. In order to diminish the imports of beer and wine by the Danish cross-border traders from Germany, the government at the beginning of the 1990s lowered the excise duties on beer and wine. In 2003 the government lowered the excise duties on spirits for the same reason.

The most important pressure groups in Denmark have been the temperance movement and smaller private organisations. But their influence on alcohol political decision-making has been rather weak. It might be relevant to regard the alcohol industry as well as the organisation of hotels and restaurants as pressure groups, or at least as agents in the alcohol field. During the last 50 years there have been many examples where decision-makers when dealing with alcohol policy matters have taken into account the interests of alcohol trade, industry and occupations. Preventive considerations however have yielded.

### **Licensing policies**

In Denmark every owner of a shop needs to have a special licence from the authorities to run the business but the shop owners do not need special permits for retailing alcoholic beverages off the premises. There have not been any changes to this rule in the period since 1950. All this means that every licensed shop is allowed to sell alcoholic beverages, whatever the normal assortment might be. Consequently, one may be able to buy distilled spirits at the baker's shop or wine at the butcher's shop and so on. It is not exactly known how many off-premise outlets retailing alcoholic beverages there are in Denmark. According to an estimate of the Brewers Association of Canada there were over 20,000 licensed off-premise outlets in Denmark in the mid-1990s (Hurst, Gregory & Gussman, 1997).

Owning and running a restaurant or pub or other kind of on-premise alcohol sales outlet requires a licence from the municipal authorities. There are no separate licences for beer, wine or spirits. Without a licence outlets are permitted to sell only beer with less than 2.8 per cent alcohol by volume. Approximately 10,000 establishments hold a licence to sell alcoholic beverages. Until 1970 there was an upper limit on the number of on-premise licences in the municipalities.

To be able to get the licence the owner must fulfil certain requirements, for example having no criminal convictions. The licence is normally given for a period of 8 years, but can be granted for a shorter period if the authorities are doubtful for the applicant. Most of the municipalities have a special licensing board that issues the licences on the basis of preventive or temperance considerations and in consideration of the applicant's qualifications.

### **Restrictions on alcohol availability**

Alcoholic beverages are in Denmark grouped into four categories. The first category includes beer with an alcohol content of 2.25 per cent alcohol by weight or more. The second category consists of wine, fruit wine and other fermented beverages containing more than 2.5 per cent alcohol by volume and the third category includes distilled spirits. The fourth category consists of beverages where beverages belonging to categories one to three have been added. This definition of alcoholic beverages is used in off- and on-premises sales of alcoholic beverages and for the purposes of taxing alcoholic beverages.

Up till 1970 the selling of alcoholic beverages in shops to persons under 18 years old was prohibited. In 1970 this rule disappeared without further notice when the law regulating off- and on-premises sale was changed (Thorsen, 1993). From July 1998 an age restriction was reintroduced. The selling of alcoholic beverages off the premises to minors under the age of 15 years is prohibited by law. In July 2004 this was further restricted. Now the selling of alcoholic beverages off the premises to minors under the age of 16 is prohibited. Along with the new law, a legitimating card was made for young people over the age of 16. But by July 2005 the government has decided to extend opening hours for shops, as well as to abolish the prohibition against selling of alcoholic beverages between 8 p.m. and 6 a.m. The latter liberalisation is considered to have some effect on the alcohol consumption of young people. At the same time the age limit of 16 was introduced selling tobacco to young people. In Denmark, the serving of alcoholic beverages in restaurants and pubs is prohibited to persons under the age of 18 years. This has been the rule at least since 1939.

Selling of alcoholic beverages to drunken persons both off- and on-premise is prohibited according to the law. Sale of alcoholic beverages through vending machines is also prohibited.

The number of on-premise sale outlets was restricted until 1970, when a committee revising the law on public houses argued that the hitherto allowed number in the municipalities was seldom utilised, and in those municipalities where the upper limit had been reached, the local and central authorities had granted more licences because of the importance of tourism. The number of restaurants and pubs and other on-premise outlets has had a constantly rising trend.

Permitted opening hours in restaurants and bars have been extended several times during the last half of the century. In the 1950s and onwards permitted opening hours were generally between 5 a.m. and 12 midnight, and after application some restaurants and pubs were granted a night licence, meaning that they could stay open longer. The municipal council decided how many on-premise outlets can have extended business hours, and the police decided which ones actually get the permission. In one of the latest revisions of the law on hotels and restaurants, the rule on permitted hours was extended from 5 a.m. till 2 a.m., and special permissions can still be granted for longer business hours. The reason for this change was the wish to make things easier and to diminish paper work of the police and the municipalities, because all the years since 1958 has witnessed an ever-increasing number of licences with extended permitted hours, both in absolute numbers and as percentage of the total number of licences.

According to a law from 1939, the police had the possibility to issue occasional licences for commercial serving of alcohol in places other than restaurants, pubs and the like, most often in connection with public meetings, festivals, feasts, fairs, and exhibitions. In 1993 it was decided to simplify the rule on occasional licences, and from then on beer and wine, but not strong beer and distilled spirits, can be served and sold at events that take place in the open air and that are arranged by organisations.

A violation of the rules against the serving of alcoholic beverages to minors may result in a fine, and the licence may be withdrawn – or not prolonged - after more violations. The same goes for serving alcoholic beverages beyond the allowed opening hours.

Drunken people in public places can be taken into police custody or detention room. This rule is not enforced very strictly. The number of persons taken into custody annually mirrors both the number of drunken persons in public places and the activity of the police. Sometimes drunkards are taken to their homes by the police. From 1991 municipal authorities can prohibit drinking of alcoholic beverages in public places like streets and parks.

### Alcohol taxation

Taxation of alcoholic beverages is nowadays regulated by two laws, one on taxation of beer, wine and fruit wine, and another on taxation of distilled spirits. The excise duty on beer containing more than 2.8 per cent alcohol by volume is levied per hectolitre per degree of Plato in the finished product within certain limits of the strength of the beer (Table 5.2). Excise duties on wine and intermediate products are based on hectolitre of the product within certain limits of the alcohol content of the wine and the intermediate products. Sparkling wine has an additional excise duty rate. The excise duty on distilled spirits is calculated on the basis of hectolitres of pure alcohol in the finished product.

Table 5.2. Excise duty rates for alcoholic beverages in Denmark in 2000 in Danish crowns and in euro

Alcoholic beverage category*	DKR	EUR	DKR	EUR
Beer, per hectolitre of the product				
From 0.5 to 2.8 per cent alcohol by volume	0.00	0.00	0	0
At most 11 degrees of Plato	268.50	36.12	268.64	
Over 11 to 14 degrees of Plato	345.75	46.51	338.72	
Over 14 to 18 degrees of Plato	460.75	61.98	438.00	
Over 18 to 22 degrees of Plato**	510.25	68.64	508.08	
Wine, and fermented beverages other than wine and beer, per hectolitre of the product				
From 1.2 to 6 per cent alcohol by volume, still	450.00	60.54	390	52.42
From 1.2 to 6 per cent alcohol by volume, sparkling	800.00	107.62	696	93.54
Over 6 to 15 per cent alcohol by volume, still	705.00	94.84	614	82.52
Over 15 to 22 per cent alcohol by volume, still	1,055.00	141.93	920	123.65
Over 6 to 15 per cent by alcohol by volume, sparkling	1,055.00	141.93	920	123.65
Over 15 to 22 per cent alcohol by volume, sparkling	1,405.00	189.01	1226	164.78
Intermediate products, per hectolitre of the product				
From 1.2 to 6 per cent alcohol by volume, still	450.00	60.54	390	52.42
From 1.2 to 6 per cent alcohol by volume, sparkling			696	93.54
Over 6 to 15 per cent alcohol by volume, still	750.00	94.84	614	82.52
Over 6 to 15 per cent alcohol by volume, sparkling			920	123.65
Over 15 to 22 per cent alcohol by volume, still	1,055.00	141.93	920	123.65
Over 15 to 22 per cent alcohol by volume, spar-			1226	164.78

klings				
Distilled beverages, per hectolitre of pure alcohol				
in the finished product	27,500.00	3,699.47	*15000	*2016.02

Beer figures shown as of 1/10 2004

Other figures shown as of 9/1 2005

\* Figures by 1/1 2005

\* For details of the lower limits of alcoholic beverages and other EU rules concerning alcohol taxation, see Chapter 2.

\*\* The excise duty rate for beer over 22 degrees of Plato is 27.00 DKR per hectolitre per degree of Plato in the finished product.

Source: European Commission, DG XXI, Excise duty tables, November 2000.

The excise duty rate for the most popular Class I beer increased in nominal terms by 24 per cent in 1975 and by 16 per cent in 1976 (Table 5.3). From 1982 to 1986 the excise duty rate for beer rose in five instances, and at the end of 1986 the nominal excise duty rate for beer was 56 per cent higher than it had been at the beginning of 1982. Both in 1991 and 1992 beer excise duty rates were lowered. The total decrease in the excise duty rate for beer was 52 per cent. This reduction was motivated by the increase in cross-border trade in beer. As stated earlier, Danish travellers had since the mid-1980s began to import especially Danish beer from Germany in large quantities after the restrictions on private beer and wine imports had become much looser. Since 1993 the realisation of the single European market has not affected beer taxation, and despite the continuing large private beer imports from Germany, beer excise duty rate has in fact been increased by 4 per cent both in 1996 and 1997. In 2004 the excise duty on beer was changed fundamentally. Previous calculation of the duty was based on the quantity of the herbs used for brewing. Now it depends on the volume of the beer. The excise duty rates decrease on beers with both a high and a low volume of alcohol, while duty rates on beers with a medium volume (lager beer) almost stays the same (Rapport om grænsehandel, 2004).

Table 5.3. Excise duty rates for beer in Denmark from 1972 to 2004 in Danish crowns per hectolitre of the product

From (year /month)	Class II / Tax free	Class I / 1	Class A / 2	Class B / 3
1972	39.50	215.35	271.20	321.85
1975	39.50	266.70	333.20	394.55
1976 / 8	39.50	309.55	386.75	458.80
1982 / 12	39.50	361.15	451.20	535.30
1983 / 10	39.50	387.90	484.35	575.65
1984 / 5	39.50	413.70	416.85	613.20
1986 / 4	39.50	455.05	568.55	674.50

1986 / 10	41.80	481.95	602.15	714.40
1991 / 7	0.00	417.95	538.15	650.40
1992 / 10	0.00	249.95	321.80	434.05
1993 / 1**	0.00	249.95	321.80	429.00
1996 / 7	0.00	259.25	333.75	445.00
1997- 2004/9***	0.00	268.50	345.75	460.75

\* Until 1993 the classes were defined as follows: Class II, from 0.5 to 2.8 per cent alcohol by volume; Class I, at most 11 degrees Plato; Class A, more than 11 but at most 13.3 degrees Plato; Class B, more than 13.3 degrees Plato. From 1993 the classes are defined as follows: Tax free, from 0.5 to 2.8 per cent alcohol by volume; Class 1, at most 11 degrees Plato; Class 2, more than 11 but at most 14 degrees Plato; Class 3, more than 14 but at most 18 degrees Plato; Class 4, more than 18 but at most 22 degrees Plato; Class 5, more than 22 degrees Plato.

\*\* From 1993 there is also Class 4 beer with the following rates: DKR 475.00 from 1993, DKR 492.75 from 1996 and DKR 510.25 from 1998 as well as Class 5 beer with the rates of DKR 25, DKR 26 and DKR 27 per hectolitre per degree of Plato in the finished product from the respective years.

\*\*\* By October 2004 the classes are no longer in use for beer. Instead a general excise duty is introduced. This amounts to DKR 58.40 per 1 litre 100 per cent pure alcohol. By 2005 the excise duty rate has decreased to DKR 50.90.

Sources: Hurst, Gregory & Gussman, 1997; European Commission, DG XXI, Excise duty tables, November 2000; Central Customs and Tax Administration, 2005.

From 1975 to 1986 Danish fruit wines were taxed much lower than other light or dessert wines (Table 5.4). Changes in excise duty rate for wine have a slight different timing than changes in the excise duty rate for beer, but in the 1972-1986 period both the excise duty rate for beer and wine increased by about 110 per cent in nominal terms.

Table 5.4. Excise duty rates for wines in Denmark from 1972 to 1986 in Danish crowns per hectolitre of the product. Also excise duty rates from 1986 to 2005 in Danish crowns per 1 litre 100 per cent pure alcohol.

From (year / month)	Light wine	Dessert wine	Light wine from Danish fruits	Dessert wine from Danish fruits
1972*	600	1.16		
1973 / 1	400	870		
1974 / 5	550	1.095	350	590
1976 / 8	750	1.395	485	770
1982 / 6	915	1.7	590	940
1982 / 10	1.005	1.867	648	1.032
1983 / 10	1.073	1.993	692	1.102
1986 / 4*	1.26	2.34		
	Class I **	Class II	Class III	Additional duty
1986/12- 1996	8.15	12.6	23.4	10.8
1997-2004	4.5	7.05	10.55	3.5
2005/1	3.9	6.14	9.2	3.06

\* Before 1975 and after 1986 there were no differences in excise duty rates between Danish fruit wines and other wines.

\*\* From December 1986 the classes are defined as follows: Class I: less than 6 per cent alcohol by volume; Class II: more than 6 per cent, but at most 15; Class III: more than 15 per cent, but at most 22. For sparkling wines there is an additional duty.

Source: Hurst, Gregory & Gussman, 1997; Central Customs and Tax Administration, 2005.

The decreases in the excise duty rate for wine in 1991 and 1992 were of the same magnitude as the decrease in the excise duty rate for beer (Table 5.5). Also the motivation was the same, namely increased private wine imports by Danish cross-border shoppers from Germany. The excise duty rate for fortified wine decreased even more than that of beer or table wine in 1991. There are also small increases in the excise duty rate for wine in 1996 and 1997. In 2005 the excise duty decreased due to the governments lowering of the taxes on beer and wine with 13 per cent.

Table 5.5. Excise duty rates for still wines in Denmark from 1976 to 2000 in Danish crowns per hectolitre

From (year / month)	From 1.2 to 6% alcohol by vol- ume	Over 6 to 15% alcohol by vol- ume	Over 15% alcohol by vol- ume
1987 / 1	815	1.26	2.34
1991 / 7	707	1.093	1.67
1992 / 10	420	655	985
1996 / 7	435	680	1.02
1997 / 5*- 2004	450	705	1.055
2005/1	390	614	0.92

\* Sparkling wine has in each category an additional excise duty rate of 306 DKR per hectolitre of the product

Sources: Hurst, Gregory & Gussman, 1997; European Commission, DG XXI, Excise duty tables, November 2000.

Like with wine, Denmark also used to tax domestic aquavits with a lower rate than other distilled spirits (Table 5.6). For distilled spirits this policy ended in 1980 because of the ruling of the European Court of Justice. In 1977 the excise duty rate for distilled spirits was about twice the level in 1972. It is difficult to say what happened to the tax burden on distilled spirits in 1980 because of the change in tax bases. In any case the excise duty rate for distilled spirits increased in the 1980-1986 period, and it did not decrease in the first years of the 1990s as did the excise duty rates for beer and wine. In the fiscal year 2005 the government introduced a yearly tax on RTD-products of 55 million DKK equivalent to 7.3 million Euro.

In addition to excise duties, also value added tax (VAT) affects the prices of alcoholic beverages. In 1972 the VAT rate in Denmark was 15 per cent. In 1977 it increased to 18 per cent, in 1978 to 20.25 per cent and in 1980 to 22 per cent. Since January 1992 the VAT rate has been 25 per cent.

Changes in excise duty levels in tables 5.3-5.6 are given in nominal values. During the 1950-2000 period the value of the Danish currency has decreased because of inflation. The increasing price level in Denmark in the 1960-2000 period as described by the consumer price index (CPI) is given in table 5.7.

Table 5.6. Excise duty rates for distilled spirits in Denmark from 1972 to 2000 in Danish crowns per hectolitre of pure alcohol in the finished product

From (year / month)	Aquavit	Other distilled spir- its	All distilled spirits
1972	8,130	12,000	
1975	10,860	15,480	
1976 / 8	13,030	18,575	
1977 / 9	16,750	25,715	
1980 / 7			9,500*
1982 / 6			10,800*
1982 / 10			11.858*
1983 / 10			12,655*
1986 / 4			14,300*
1996 / 7-2003/9			27,500
2003/10			15,000**

\* Plus 37.5 per cent of the wholesale price.

\*\* For alcopops there will be an additional duty by June 2005 amounting to DKR 2.90 per 1 litre finished product.

Source: Hurst, Gregory & Gussman, 1997; Central Customs and Tax Administration, 2005.

Table 5.7. Consumer price index in Denmark, 1960-2000, 1995 is 100

1960	1965	1970	1975	1980	1985	1990	1995	2000	2004
11.2	14.5	20.0	31.2	51.1	74.8	90.7	100.0	112.1	121.3

Source: OECD, Main Economic Indicators, March 2000 CD-ROM.

When taking into account changes in the general price level it can be concluded that in 2000 both the excise duty rate for beer and wine is about 30 per cent of its level in the early 1970s. Also the real burden of the excise duty on distilled spirits has decreased but to a much lower degree. Nowadays, calculated on the basis of pure alcohol, excise duty rate for distilled spirits is about five times as high as for beer. In the mid-1970s it was only two times as high. The tax burden on alcohol in table wines is some 30 per cent higher than in the most popular Class 1 beer (Hurst, Gregory & Gussman, 1997).

According to Sulkunen (1978) real prices of beer and all alcoholic beverages were slightly increasing in Denmark in the 1950s, and slightly decreasing in the 1960s. The data collected in the ECAS project indicate that the real prices of all alcoholic beverages have decreased by about 50 per cent in the 1966-1995 period (Leppänen 1999). In the

late 1990s about 41 per cent of beer prices constituted of taxes. The corresponding figure for table wine was 52 per cent and for distilled spirits 76 per cent.

### **Alcohol advertising**

There are no legal regulations in Denmark specifically on alcohol advertising. It used to be a rule that electronic media broadcasting from within Danish territory were not allowed to show commercials on alcohol. But by December 2002 a new law on broadcasting legalized alcohol commercials on television and in the radio. Some restrictions followed, though. For instance alcohol commercials on television and in the radio are not allowed specifically to be directed at minors. Nor are they allowed to make the impression, that consumption of alcohol contributes to social or sexual success. Advertising in other media and in other places is regulated by the Law of Marketing, but only in some very general terms. However, at the beginning of the 1970s the brewers' organisation made their own voluntary code, deciding that none of its members was allowed to use beer advertisements that were especially targeted on youth or that combined beer with sports or driving a car.

In 1974 there was a parliamentary debate on the banning of alcohol advertising. However, the majority of the parliament refused the ban. The arguments were that a ban probably would have no effect on the consumption level or the number of alcohol abusers, and a ban was considered to be patronising. It was also argued that a ban on alcohol advertisements would also hurt the press, which already had hard times.

Later parliamentary debates have run along almost the same lines. But the alcohol industry itself with the help or sometimes the pressure of the consumers' ombudsman has agreed upon a voluntary agreement regulating alcohol advertising, marketing and sponsorship. The first agreement that included not only the breweries but also the distillers and the wine importers were agreed at the end of 1976 and then supplemented or slightly changed several times.

The latest version of the agreement is valid from March 1, 2000, and was agreed by the alcohol industry and importers in cooperation with the Ministry of Health, the Ministry of Industry, and the Consumers Council. The essence of the present agreement is that it concerns alcoholic beverages containing 2.8 per cent alcohol by volume or more. However, for advertising and sponsorship targeted on children and youth all beverages containing alcohol are concerned, i.e. advertising directed at children and youth is not allowed at all. Advertising may not be provocative, pressing or otherwise persuading, it may not give the impression that alcohol is good for your health or contributing to your success or physical and mental capability. Advertising is not allowed in or near schools, high schools, playing grounds and youth clubs, in events or magazines targeted on children and youth. Advertising and sponsorship may not be combined with sports, sports grounds and sports magazines.

Before 1990 the agreement was signed by some of the alcohol producers and importers and thus only applied to members of these organisations. The agreements in 1990 and onwards have been signed by the consumers' ombudsman and thus should be followed by all alcohol advertisers and sponsors. Moreover, an independent enforcement commit-

tee has been set up. The committee decides on complaints or pick up cases by themselves. The enforcement committee launch a yearly report. In the year 2003 the committee ruled 9 out of 14 cases not complying to the rules.

### **Education and information**

It has been a common argument during parliamentary debates that in the liberal, restriction-free Danish alcohol policy, education and information should be a cornerstone together with the taxation policy. But the political support for these measures was mostly lip service. Several special committees have criticised the low level of education and information, and the Ministry of Education's regional alcohol and drug advising positions were abolished during the 1970s and 1980s. During the last years, however, there seems to have been more interest in and emphasis on these measures. Education and information of the general population is taken care of by many authorities and private organisations and by many means, e.g. campaigns, teaching, pamphlets, and books.

Each autumn for the last 15 years the National Board of Health has launched a campaign with different themes (Week 40); among other things, promoting safe drinking limits, a maximum of 21 drinks per week for men and 14 for women. In 2003 the National Board of Health introduced an internet guide for parents as a part of the yearly alcohol campaign. The guide is on how to cope with teenage drinking. Before and during the campaign weeks much coordination and collaboration is going on between the central and the local authorities and private organisations. Warning labels on alcohol containers have not been introduced.

### **Drunk driving**

Until 1976 there was no fixed blood alcohol concentration (BAC) limit in Denmark. Drivers of cars and motorcycles could be punished if they had had so much alcohol that they could not drive safely. In 1976 it was decided that driving with a BAC above 0.08 per cent was prohibited. The punishment has since been a fine and conditional or unconditional withdrawal of the driving licence for driving with a BAC between 0.08 and 0.2 per cent (first offence); above that limit it has been imprisonment and withdrawal of the licence. For a second or third offence and under aggravating conditions, imprisonment can be imposed at lower BAC levels.

Act number 468 from July 10, 1997 changed the BAC limits which came into force on March 1, 1998. The legal BAC limit is 0.05 per cent, the secondary limit is 0.08 per cent and the tertiary limit is 1.2 per cent. Depending on the severity of the offence, a BAC between 0.05 and 0.08 per cent will be fined. A BAC between 0.08 and 0.12 per cent will also be fined, but for a second offence the driving licence will also be suspended. For a BAC above 0.12 per cent, the driving licence will be suspended in addition to a fine, with possible imprisonment. Undergoing treatment can to some extent reduce the penalty.

### **Administrative structure of treatment for alcoholism**

During the 1930s and 1940s the treatment of alcoholics, or drunkards as they were mostly called, had long been a task of disciplinary or care authorities. Many problem drinkers were taken into custody in labour camps or asylums for skid row persons. But during the 1940s and 1950s treatment facilities began to mushroom. From the beginning of the 1960s the treatment became a task of the medical profession. This came about not because of a scientific breakthrough that should make alcoholism a disease and thus a domain of the medical doctors, but simply because medical doctors had proven to be useful in this particular endeavour, as it was mentioned in an official document.

This meant that hospitals and general practice took over the responsibility of the treatment of alcoholics, as did alcohol outpatient clinics (ambulatories). Especially in the outpatient clinics, the treatment offered to the patients was medical, in combination with psychological and social work. This mixed social and medical approach is still common today.

The counties have the responsibility for setting up and running the different treatment facilities for heavy drinkers. Administratively the treatment of alcoholics was situated in the health sector, but from the mid-1970s it became common in many counties to place it in the social sector alone or in a combined social and health sector.

Along with the big structural reform in 2007 the municipalities gets the responsibility running the prevention programmes and treatment.

An unknown part of the total provision of alcohol treatment takes place in general practice. The rest of the treatment of alcohol problems is now organised into three different types of institutions:

- Publicly established and publicly financed institutions, including outpatient clinics and specialised hospital wards.
- Institutions established by private organisations that have working agreements with counties and municipalities that can utilise some of the capacity for their respective inhabitants.
- Privately established and run institutions where counties and municipalities on an ad hoc basis can buy services.

Institutions under the first two types are called public institutions, and they cover 90-95 per cent of the treatments outside general practice. All over the country there are around 85 such institutions. The private institutions total 10-12.

In 2000, the capacity of inpatient treatment was some 250 places. In all 700 people got inpatient treatment in 2000. In the same year, 17,000 people got outpatient treatment.

By mid 2005 a alcohol treatment guarantee come into force. Within 14 days after seeking treatment, an individual program has to be implemented.

The temperance movement has played a minor part in Danish alcohol policies after 1918. The number of members is relatively small. The movement is often represented in bodies and committees.

Regarding the treatment of alcohol problems, the temperance movement has, however, run some clinics. Also Blue Cross runs treatment facilities. These contributions to the

treatment activities have a long history, dating back to the first decades of the twentieth century.

In recent years voluntary private organisations in the alcohol prevention field formed a Network and then strengthened the influence in the field of alcohol policy.

All in all, private organisations (NGOs) have always played an important part in social work in Denmark and are subsidised by the government. The organisations are occupied with the treatment and care of alcoholics and homeless as well. And as mentioned above, private treatment organisations have working agreements with the health authorities.

During the last 10 to 15 years new private organisations, most of them inspired by the Minnesota treatment philosophy, have come into the Danish treatment market, mostly covering the inpatient clientele. Contrary to the publicly run treatment facilities, the new Minnesota inspired centres are commercial, meaning that the patients have to pay themselves for their stay. To some extent, however, the counties or municipalities or the patients' employers pay a part of or the entire fee.

Alcoholics Anonymous is present in Denmark and it acts in the same way as in many other countries. The organisation gained a footing in Denmark during the 1980s. In 2005 AA celebrated 50 years in Denmark.

## **Summary**

Overall, one can describe the Danish alcohol policy at the end of the twentieth century as liberal, but recently going in a more restrictive direction. Seen in a longer time perspective, the years from 1960 witnessed a growing liberalisation resulting in a relatively high availability of alcoholic beverages without any alcohol retail monopoly, with many off-premise retail outlets for alcoholic beverages as well as a large number of on-premises and long business hours. Nowadays, at least when compared to earlier decades, excise duty rates are relatively low and so are prices of alcoholic beverages. But during the very last years Denmark has introduced age restrictions on off-premise sale of all alcoholic beverages, a lower BAC level, and restrictive rules on alcohol advertising and sponsorship.

The relationship between the number of alcohol-related problems in the society, on the one hand, and public attitudes towards preventive alcohol policy and the measures taken to combat alcohol-related problems, on the other hand, is not straightforward, and it may even be somewhat paradoxical. When the per capita consumption of alcohol and several alcohol problem rates rose during the 1960s, 1970s and 1980s, the Danish alcohol policy became more and more liberal. However, during the 1990s a levelling off of total alcohol consumption and of some problem parameters has been accompanied by a growing political awareness of alcohol problems and the introduction of more restrictive measures.

At the same time, the Danish case is also a good example of how the EU has been able to put pressure on its member countries by using market forces and also to affect national alcohol control measures. In the Danish case this is very clearly seen in the in-

creases in travellers' alcohol import allowances in the 1980s and 1990s for beer and wine, and consequent decreases in alcohol excise duty rates for beer and wine in the beginning of the 1990s. These kind of processes will continue when Denmark in 2004 gives up its restrictions on travellers' import allowances for distilled spirits and decreases its excise duty rate for distilled spirits in fall 2003.

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