



Alcohol:
Price, legal
availability and
expenditure

IAS Factsheet

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As well as cultural influences, two important influences on levels of alcohol consumption and harm are legal and fiscal availability of alcohol – the number of outlets licensed to sell alcohol and their hours of opening etc., and the cost of alcoholic drink. Generally speaking, changes in the availability of alcohol in either direction tend to be reflected sooner or later in changes in the same direction in levels of alcohol consumption and harm.

Licensed Premises

The number of premises licensed to sell alcohol fluctuates but there are significantly more licensed premises now than there were twenty years ago. What is not shown below is the changing pattern of distribution. While pubs in rural areas have been closing, the number of outlets has increased in the main urban centres. Moreover, with the advent of the 'superpub' there has been a major increase in the total licensed capacity in the areas where pubs and clubs are increasingly concentrated. For example, the licensed capacity of premises in the centre of Manchester increased by 242% between 1996 and 1999, and Manchester now has a licensed capacity of around 200,000. This expansion has led to more competition, including heavy discounting, which is associated with binge drinking and increased drunkenness.¹

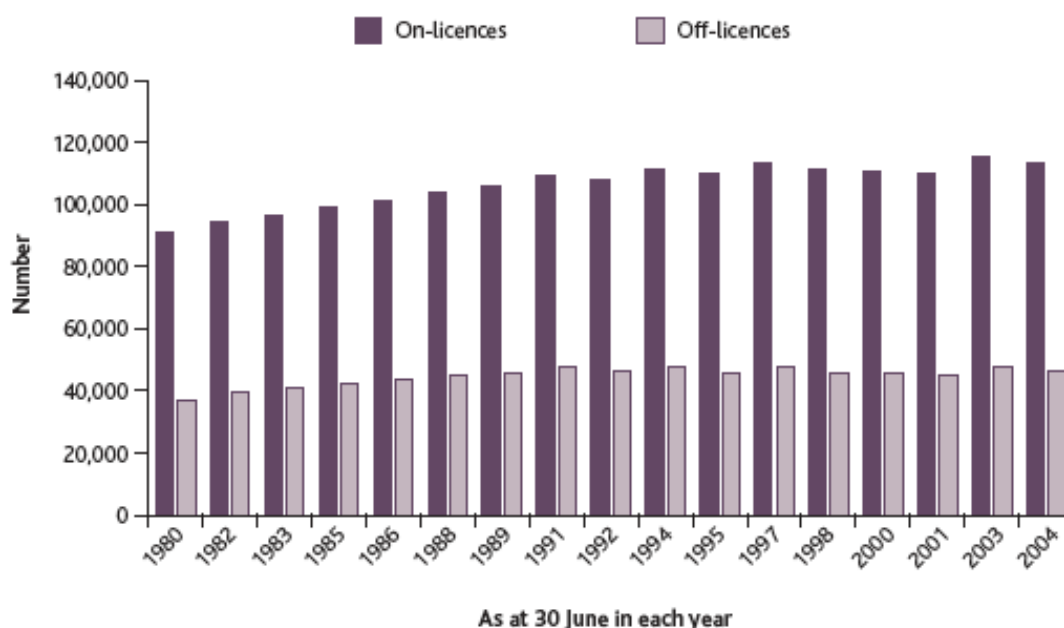
Premises licensed for the retail sale of intoxicating liquor, registered clubs and theatres, 1980-2004²

England and Wales

Number as at 30 June each year

Date	On-licensed premises				Off-licensed premises	On- and off-licensed premises	Registered clubs	Theatres
	Public houses etc	Residential and Restaurant	Licensed clubs	Total				
1980	67,091	20,622	3,089	90,802	37,252	128,054	26,889	241
1982	68,373	22,590	3,212	94,175	39,362	133,537	27,057	
1983	69,136	23,679	3,363	96,178	40,853	137,031	27,192	261
1985	70,331	25,263	3,552	99,146	42,646	141,792	26,725	
1986	71,200	26,503	3,731	101,434	43,891	145,325	26,726	311
1988	71,875	28,411	3,845	104,131	44,888	149,019	26,186	
1989	72,712	29,426	3,934	106,072	45,507	151,579	26,015	271
1991	74,299	31,106	3,926	109,331	47,944	157,275	25,073	
1992	74,053	29,787	3,798	107,638	46,063	153,701	25,073	242
1994	75,522	31,409	4,281	111,212	47,735	158,947	24,239	
1995	75,392	30,042	4,272	109,706	45,986	155,692	24,005	272
1997	78,098	31,223	3,951	113,272	47,753	161,025	22,836	
1998	77,934	29,779	3,847	111,560	45,425	156,985	22,614	270
2000	77,876	28,774	3,996	110,646	45,450	156,096	21,036	
2001	78,540	27,968	3,748	110,256	44,696	154,952	22,037	218
2003	81,933	29,462	3,867	115,262	47,478	162,740	20,045	
2004	81,455	28,164	3,751	113,370	46,582	159,952	19,913	

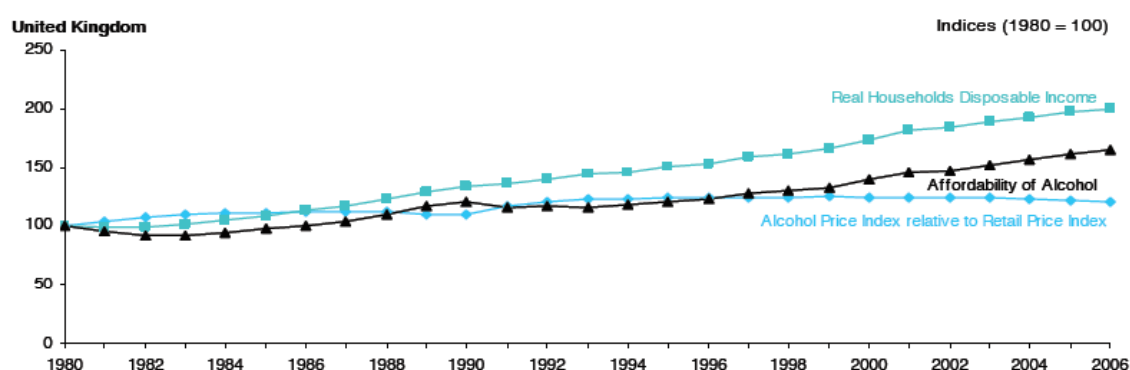
Premises licensed for retail sale of intoxicating liquor, England & Wales 1980 - 2004³



Affordability of Alcoholic Drinks, UK⁴ (1985=100)

The price of alcohol in relation to disposable income is a major influence on consumption. Generally the cheaper alcohol is relative to disposable income, the more is consumed. UK prices of alcoholic drink as measured by the Alcohol Price Index, have increased considerably more than general price increases. Between 1980 and 2003 the price of alcohol increased by 24% more than prices generally. However, households' disposable income increased by 91% in real terms over the same period, making alcohol 54% more affordable in 2003 than in 1980⁵.

Indices of alcohol price relative to retail price index, real households' disposable income and affordability of alcohol, 1980 to 2006⁶



Source: Focus on Consumer Price Indices, Office for National Statistics & Economic Trends, ONS, 2007

Indices of alcohol price retail prices, alcohol price index relative to retail prices index (all items), real households' disposable income, and affordability of alcohol, UK. 1980 to 2006⁶

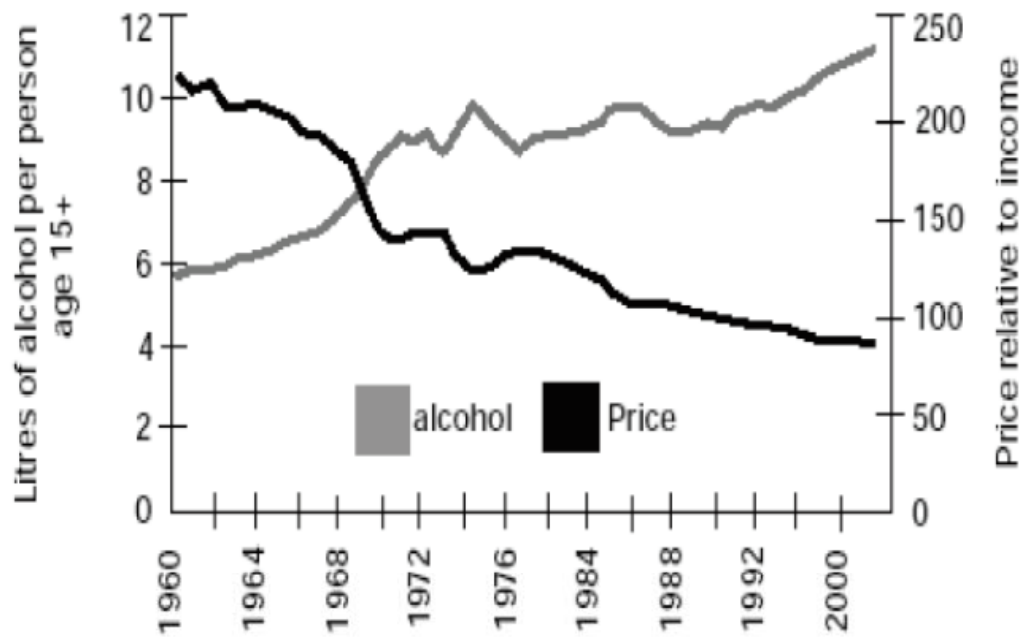
	United Kingdom					Indices (1980 = 100)
	Alcohol price index	Retail prices index (all items)	Alcohol price index relative to Retail price index (all items)	Real households' disposable income	Affordability of alcohol index ¹	
1980	100.0	100.0	100.0	100.0	100.0	100.0
1981	116.9	111.9	104.5	99.5	95.2	95.2
1982	130.2	121.5	107.2	99.2	92.5	92.5
1983	140.0	127.1	110.1	101.2	91.9	91.9
1984	148.1	133.4	111.0	105.0	94.6	94.6
1985	157.4	141.5	111.2	108.6	97.6	97.6
1986	164.5	146.3	112.4	113.0	100.6	100.6
1987	171.2	152.4	112.3	117.2	104.3	104.3
1988	179.9	159.9	112.5	123.6	109.9	109.9
1989	190.1	172.3	110.3	129.4	117.4	117.4
1990	208.4	188.6	110.5	133.8	121.1	121.1
1991	234.3	199.7	117.3	136.5	116.4	116.4
1992	249.4	207.2	120.3	140.5	116.7	116.7
1993	260.4	210.5	123.7	144.2	116.6	116.6
1994	266.7	215.6	123.7	146.3	118.3	118.3
1995	276.8	223.1	124.1	150.1	121.0	121.0
1996	284.8	228.4	124.7	153.7	123.3	123.3
1997	292.7	235.6	124.2	159.5	128.4	128.4
1998	302.7	243.7	124.2	161.9	130.3	130.3
1999	310.6	247.4	125.5	166.4	132.5	132.5
2000	315.4	254.8	123.8	173.8	140.4	140.4
2001	322.0	259.3	124.2	181.3	145.9	145.9
2002	329.3	263.6	124.9	184.4	147.6	147.6
2003	336.3	271.2	124.0	188.9	152.3	152.3
2004	342.8	279.3	122.7	192.1	156.5	156.5
2005	349.6	287.2	121.7	197.0	161.8	161.8
2006	358.0	296.4	120.8	199.5	165.1	165.1

1. See Appendix A for affordability calculations

Sources: Alcohol price and retail prices (all items) indices: derived from Focus on Consumer Price Indices: tables 4.1 and 4.10 (Codes CBAA, CBAB, CHBD, CHAW) ONS

Real Households' disposable income: Economic Trends: table 2.5 (Code NRJR) ONS

Consumption of alcohol in the UK (per person aged 15+) relative to its price: 1960-2002⁷



Total household expenditure on alcohol, 1980 to 2006⁶

United Kingdom	£ million at current prices					
	Beer	Spirits	Wine	Total household expenditure on alcohol ²	Total household final consumption expenditure	Expenditure on alcohol as percentage of total household final consumption expenditure
1980	5,320	2,720	1,913	9,953	132,128	7.5
1981	5,971	2,908	2,274	11,153	146,508	7.6
1982	6,450	3,003	2,550	12,003	160,266	7.5
1983	7,138	3,265	2,867	13,270	175,908	7.5
1984	8,085	3,471	3,111	14,667	188,586	7.8
1985	8,762	3,831	3,404	15,997	205,737	7.8
1986	9,248	3,947	3,555	16,750	227,812	7.4
1987	9,886	4,145	3,773	17,804	250,274	7.1
1988	10,562	4,550	3,894	19,006	282,777	6.7
1989	11,216	4,611	4,117	19,944	310,168	6.4
1990	12,345	4,985	4,471	21,801	336,265	6.5
1991	13,274	5,296	4,848	23,418	358,107	6.5
1992	13,432	5,243	5,311	23,986	377,780	6.3
1993	13,605	5,524	5,650	24,779	399,875	6.2
1994	14,507	5,820	5,879	26,206	419,825	6.2
1995	14,842	5,284	6,529	26,655	441,085	6.0
1996	15,713	5,460	7,980	29,153	472,711	6.2
1997	16,703	5,911	8,168	30,782	501,290	6.1
1998	17,029	6,062	9,386	32,477	534,153	6.1
1999	17,230	6,769	9,667	33,666	567,994	5.9
2000	17,062	6,795	10,782	34,639	600,826	5.8
2001	17,342	6,971	11,690	36,003	632,496	5.7
2002	18,077	7,431	12,766	38,274	664,562	5.8
2003	18,878	7,738	12,240	38,856	697,160	5.6
2004	18,928	7,939	13,463	40,329	732,531	5.5
2005	18,936	8,165	13,820	40,921	760,032	5.4
2006	19,128	7,876	14,557	41,561	793,322	5.2

1. Excludes legitimate cross-border shopping which is included in tourists' expenditure

2. Total household expenditure on alcohol may not sum due to rounding

3. 'Spirits' includes spirits and liqueurs, 'Wine' includes grape and fruit wines, alcopops, cider and perry, 'Beer' includes beers, ales, lagers, porters, shandies and low alcohol beverages

4. In 2006, the data for expenditure on alcohol in 2003, 2004 and 2005 were revised by ONS. The data for total final household consumption were also revised for every year going back to 1948 by ONS mainly for benchmarking retail goods derived from the Annual Business Enquiry, 2004

Source: Consumer Trends, ONS, 2007

How Much is Spent?¹

The 2006 Family Expenditure Survey³, reported average weekly expenditure on alcohol for all households was £14.80, expenditure having declined compared with the highest levels in previous years.

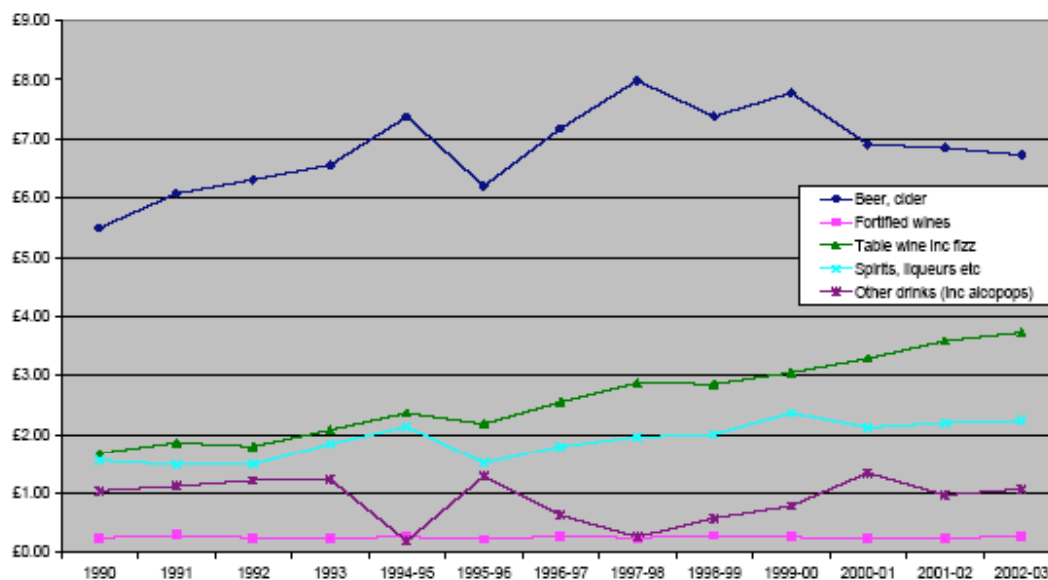
Household expenditure based on the FES classification, 1984 to 2005-6 at 2005-6 prices⁸

	Alcoholic drink	Average weekly expenditure per person (£) – All expenditure groups
1984	15.40	123.40
1986	15.90	132.70
1988	16.60	147.60
1990	15.30	151.40
1994-5	15.40	151.70
1995-6	16.40	156.90
1995-6*	14.70	155.40
1995-6**	15.80	158.90
1996-7	16.50	157.10
1997-8	17.20	168.80
1998-9	16.50	173.10
1999-2000	17.80	181.30
2000-1	16.90	184.80
2001-2	15.90	184.80
2002-3	16.10	184.90
2003-4	15.60	186.70
2004-5	15.20	186.20
2005-6	14.80	186.20

- * From 1984 to this version of 1995-6, figures shown are based on unweighted, adult only data
 ** From this version of 1995-6, figures are shown based on weighted data, including children's expenditure. Weighting is based on the population figures from the 1991 and 2001 Censuses

Again, however, there is considerable under-reporting. This reported expenditure accounts for only 56% of the alcohol known from Custom and Excise to have been purchased.

Family Expenditure Survey/Expenditure and Food Survey weekly expenditure by type of drink⁹



Institute of Alcohol Studies
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