

Policies in Low- and Middle-Income Countries

National Study – Montenegro

Economics of Alcohol and Alcohol Taxation

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MONTENEGRO**

2024

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1 COUNTRY GENERAL INFO

Montenegro is a small economy located in Southeastern Europe and lying on the east coast of the Adriatic Sea. Montenegro covers an area of 13,883 km² with a total population of 625,266 inhabitants. Geographical location and natural beauty make this country special, which is one of the reasons why tourism has been the main driver of social and economic development for years.

The economic growth of the Montenegrin economy in the five-year period before the COVID-19 pandemic averaged four percent and was driven by large public and private investment activities in the construction of transport infrastructure as well as various tourist capacities. In the period from 2019 to 2022, the GDP growth rate increased from four percent to 6.4 percent (Table 1.1). Household consumption had the largest share in recent years in the structure of GDP, according to the consumption method. During the previous years, household consumption was stimulated by the growth of employment, as well as by the constant increase of inflows based on remittances from abroad, income from tourism, and greater availability of bank loans.

Table 1.1. Macroeconomic indicators

Indicators	Years					
	2017	2018	2019	2020	2021	2022
GDP in current price (million EUR)	3,954	4,663	4,951	4,186	4,955	5,700
GDP real growth in %	2.9	4.7	4.1	-15.3	13.0	6.4
CPI annual growth at the end of the period in %	1.9	1.6	1	-0.9	2.4	12.0
Increase in employment	2.3	3.53	2.7	-10.1	-3.1	11.7
Unemployment rate	16.1	15.2	15.1	17.9	16.6	15.5
Increase in net wage	2.2	0.2	0.8	1.7	1.5	11.0
FDI (% GDP)	11.54	8.81	7.53	11.13	11.7	10.5

Source: Statistical office of Montenegro – Monstat; 2022 values are projections
(<https://www.library.iien.bg.ac.rs/index.php/see6/article/view/1566/1291>)

1.1 Basic insight into the Montenegrin alcohol industry

The custom of consuming alcohol as well as cultivating grapes has a long tradition in Montenegro. With its temperate Mediterranean climate, along with convenient soil characteristics, Montenegro favors the cultivation of vines. In the immediate vicinity of Lake Skadar in the area of Crmnica, grapes were grown and wine production began in the 3rd and 2nd centuries BC. To this day, Montenegro is known for its red and white wines ("Vranac" and "Krstac") produced from local grapes. On the territory of Montenegro, there is also Niksicko pivo (beer), as well as a popular strong alcoholic drink, brandy. Table 1.2 lists data on the production of grapes, plums, apples, pears, and barley, which are the base for the production of the previously mentioned alcoholic beverages. Production of barley recorded a slight decline from 2014 to 2021. Production of apples, plums, and pears recorded slow growth in the same period. Certainly, grapes are produced in the largest quantity.

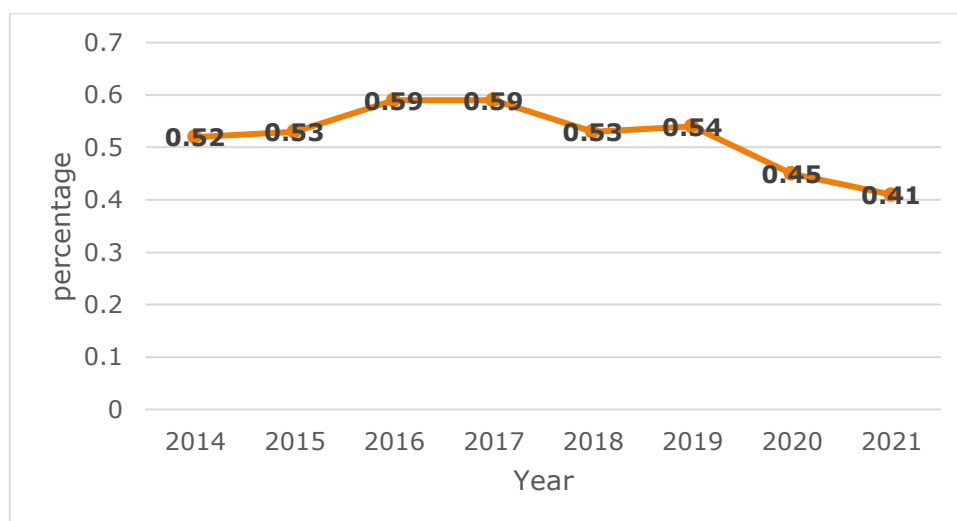
Table 1.2. Production of grapes, plums, apples, pears, and barley (in tons)

	2014	2015	2016	2017	2018	2019	2020	2021
Grapes	18,873.5	24,826.6	30,153	23,481.7	25,770.2	21,865	22,711.1	24,405.7
Plums	5,743.2	7,035.1	13,127.6	9,888.1	11,835.8	9,636.7	11,260.3	11,823.3
Apples	4,900	10,614.8	7,968.1	5,371.8	7,583.4	6,344.1	7,340.6	7,767.5
Pears	914.8	2,648.9	2,612.7	2,063.1	2,298	1,892.6	2,207.9	2,252.2
Barley	1,147.3	952	1,067.8	1,073.2	1,082.1	982.6	934.4	872

Source: (Statistical Office of Montenegro - MONSTAT, n.d.)

According to available data, the share of alcoholic beverage production in GDP accounts for approximately 0.50 percent (Figure 1.1). It records a declining trend in the last two years (from 2020 to 2021).

Figure 1.1. Share of alcoholic beverages production in GDP, in current prices



Source: Statistical office of Montenegro - Monstat

On the Montenegrin market in the alcohol industry, the two largest and at the same time the oldest companies are 13 JUL - PLANTAŽE AD and TREBJESA DOO NIKSIC.

The state-owned enterprise 13 JUL - PLANTAŽE AD from Podgorica has 2,319 hectares of vineyard area, which makes up almost 90 percent of the total vineyard area in Montenegro. The average annual production of grapes, around nine million bunches, amounts to 18 million kilograms of wine grapes and two million kilograms of table grapes. In addition to vineyards, 13 JUL - PLANTAŽE AD has 87 hectares of peach, pear, apricot, and pomegranate plantations. The three wine cellars have a total capacity of 33 million liters, with an average annual production of 13 million bottled products of wine and natural brandies (*Management Report 2022- 13 JUL PLANTAZE AD, 2022*). The company was established in 2002, and today it has 623 employees (*Financial Statement – 13. Jul – Plantaže, 2023*).

Niksic beer (TREBJESA DOO NIKSIC) has been present on the Montenegrin market since 1896, and today it is part of a large global beer corporation under the umbrella of the Canadian-American Molson Coors (*Poreska Uprava Crne Gore - Taxis Portal, n.d.*). Beverage Company The company has 218 employees in Montenegro.

In March 2023, Montenegrin alcoholic beverage manufacturer Noblewood Adriatic opened a 25 million euro vodka production plant in Niksic. This factory will produce

about 30 million bottles of vodka per year, as the expected annual value of exports is 500 million euros. According to unofficial data (information for the media portal),¹ they employ 250 employees in our country.

The combined workforce of these three largest companies constitutes 8.12 percent of total employment within the manufacturing sector in Montenegro (and 0.5 percent of the total number of employees in Montenegro).

Based on the latest available data on exporters in 2019, according to quantities, the top five exporters and importers for all three types of beverages are given in the tables 1.3 and 1.4.

Table 1.3. Exporters of beer, wine, and spirits

Beer	Wine	Spirits
TREBJESA DOO NIKSIC	13 JUL PLANTAŽE AD PODGORICA	13 JUL PLANTAŽE AD PODGORICA
SL MONTENEGRO DOO NIKSIC	NEKSAN DOO NIKSIC	FISHTA-EXPORT IMPORT DOO TUZI
MONTECCO INC DOO DANILOVGRAD	REGAL-IMPEX GH DOO PODGORICA	REGAL-IMPEX GH DOO PODGORICA
REGAL-IMPEX GH DOO PODGORICA	RAVIL DOO CETINJE	DEKADAS DOO PODGORICA
ADRIATIC SHIPSUPPLIERS DOO BAR	NTC DOO NIKSIC	LUŠTICA DEVELOPMENT AD TIVAT

Source: Revenue and Customs Administration

¹ 'Vodka factory starts working in Nikšić: Beluga employs 250 workers, will also produce premium gin and rum', *Investitor* (blog), accessed 7 May 2023, <https://investitor.me/2023/04/12/niksic-danas-dobija-fabriku-votke-beluga-zaposlila-250-radnika-proizvodice-i-premium-dzin-i-rum/>.

Table 1.4. Importers of beer, wine, and spirits

Beer	Wine	Spirits
CARLSBERG MONTENEGRO DOO PODGORICA	NTC DOO NIKŠIĆ	MONTECCO INC PODGORICA
TREBJESA DOO NIKŠIĆ	MMS PODGORICA	NTC NIKŠIĆ
K&M SISTEM NIKŠIĆ	VINO ŽUPA TIVAT	DULW D TRADE PODGORICA
COCA - COLA PODGORICA	EXPO COMMERCE KOTOR	SWISSLION TAKOVO
HEINEKEN IMPORT MONTENEGRO	VOLI TRADE PODGORICA	ŽDRIJEBČEVA KRV PODGORICA

Source: Revenue and Customs Administration

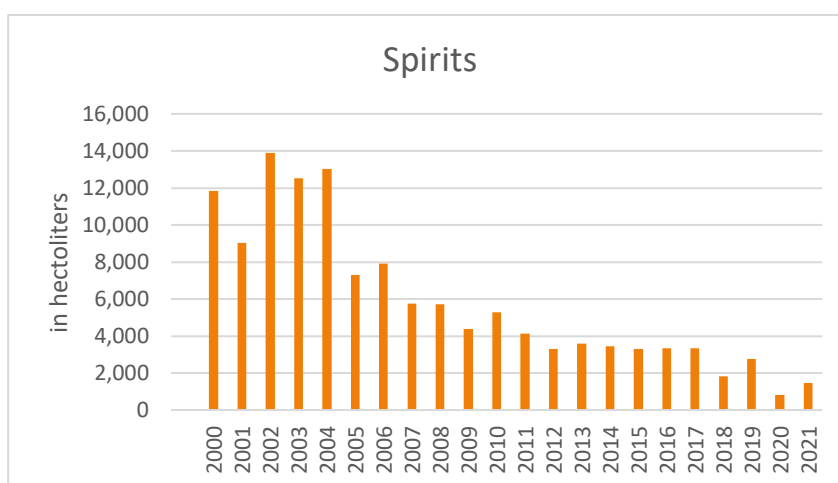
Based on the available data for the period of 2018–2022, the largest importers of Montenegrin alcoholic beverages are Serbia, Italy, and Croatia; and the largest exporters to Montenegro of these beverages are Serbia, Bosnia and Herzegovina, and Kosovo (*Statistical Office of Montenegro - MONSTAT, n.d.*).

2 SUPPLY OF ALCOHOL IN MONTENEGRO

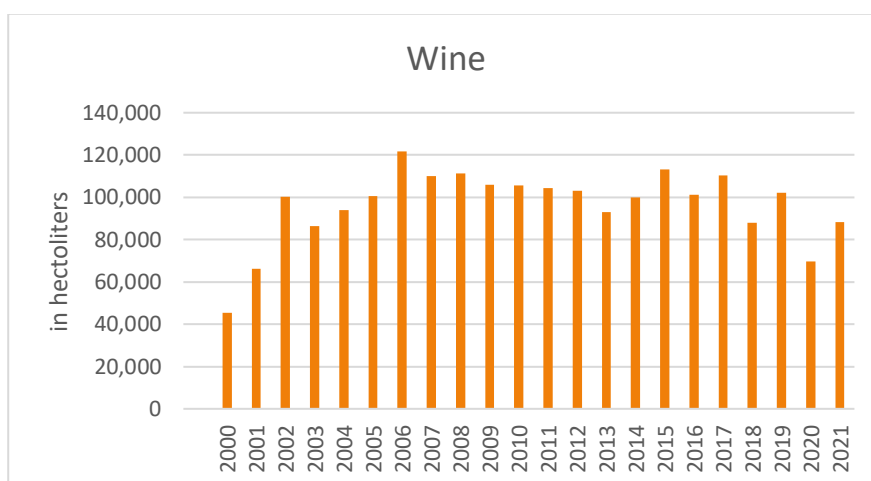
According to official statistics in Montenegro (PRODCOM database²), beer is produced the most, followed by wine and spirits. In the last 10 years, the production of spirits has been in decline, while the production of wine and beer has remained at the same level (Figure 2.1)

Figure 2.1. Alcohol types and production

Panel (a)

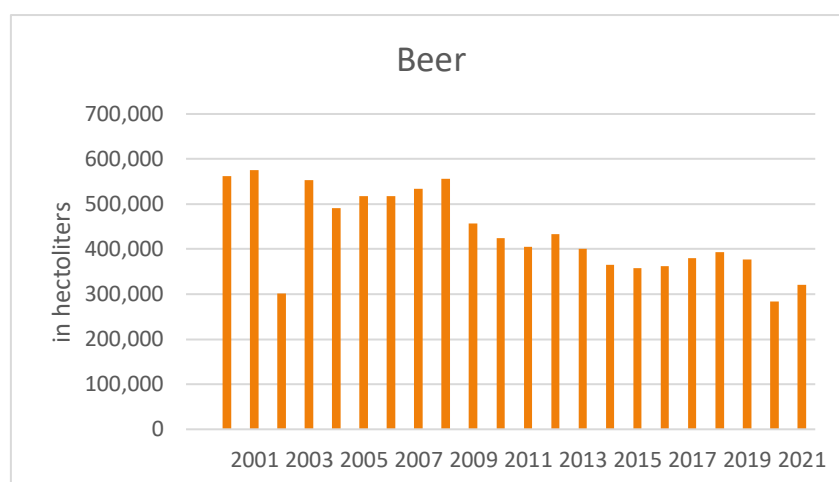


Panel (b)



² The PRODCOM database monitors industrial production based on the analysis of companies with five or more employees, with turnover shown in the financial statements in the previous year, whose main activity is industrial production (that is, classified in sectors B and C), as well as parts of companies that deal with industrial production. Entrepreneurs and companies whose turnover is zero are excluded from the framework.

Panel (c)



Source: PRODCOM database

Panel a – Spirits production

Panel b- Wine production

Panel c – Beer production

The PRODCOM database does not contain data on small producers (beverage production under 5,000 liters). Therefore, the register of small producers from the Ministry of Agriculture, Forestry and Water Management is used, which allows us to see which type of alcoholic beverage a producer is registered for, but with evident lack of the reported quantity produced. It includes only 56 registered facilities, with the highest share (77 percent) located in the central part of country (Podgorica, Nikšić, Danilovgrad, Cetinje, and Tuzi), 18 percent in southern municipalities (Bar, Budva, Herceg Novi, and Risan), and five percent in the northern part (Bijelo Polje, Berane, and Mojkovac). Analysis of the structure of the register reveals that the largest share is held by facilities registered for wine production (36 percent), followed by those registered for production of both wine and spirits (34 percent) and those registered for production of beer (23 percent). The rest of the small producers are mainly registered for producing only spirits (seven percent).³

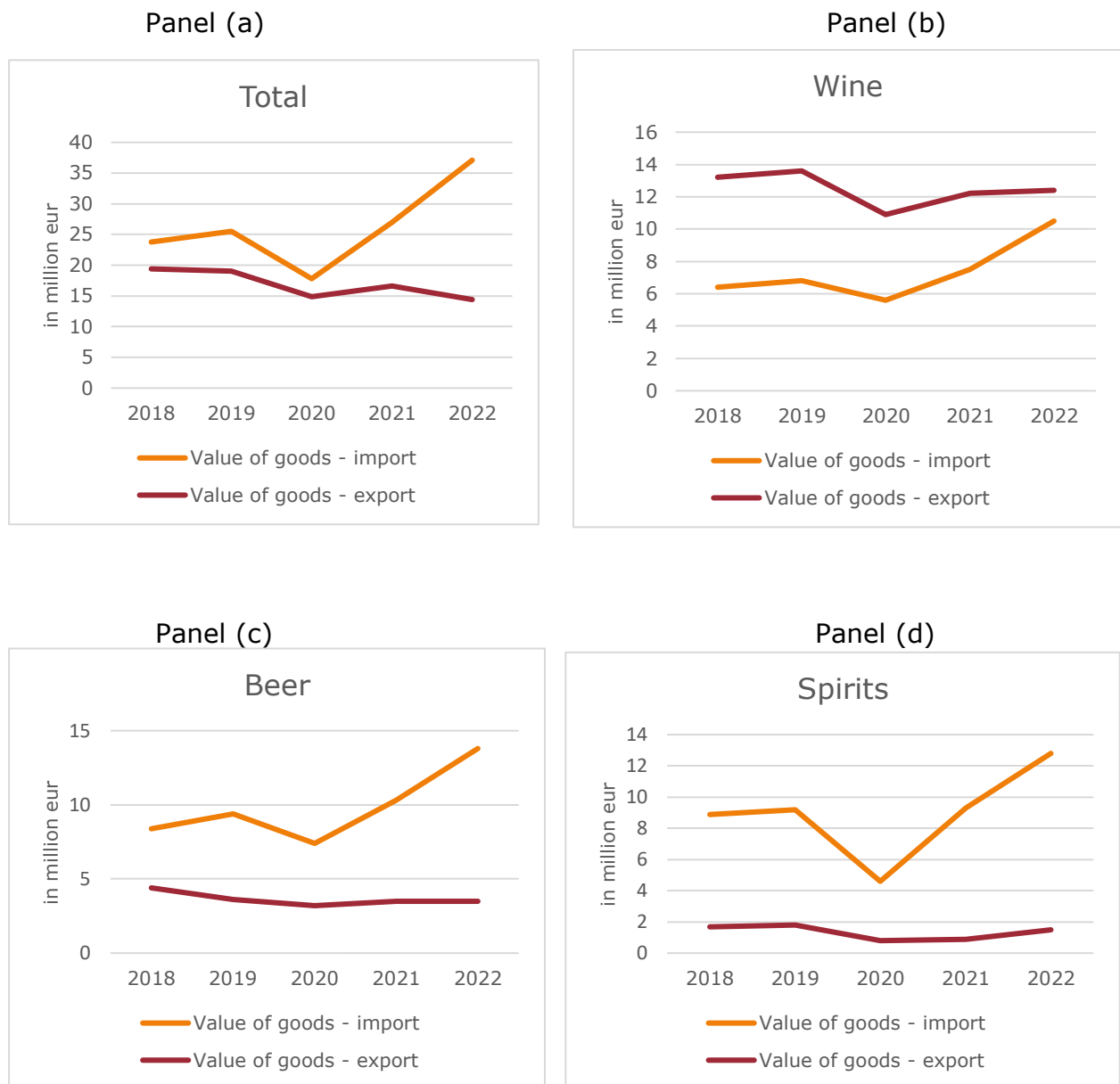
³ After analyzing the registry of facilities that have received a license for the production of alcoholic beverages, it can be concluded that the data from the Ministry's register deviate to a significant extent from the data of the PRODCOM database. Based on the methodology applied, the data from the PRODCOM database is more relevant.

It should be taken into account that domestic production is traditional in Montenegro. Namely, wine and brandy can be produced in one's own farm, and such a product can be used for personal needs, but if it is resold without registering production, this makes such sales illicit. According to the law, if an individual wants to produce alcoholic beverages for personal use (not produced for sales), there are no limits regarding the quantity produced and such production is not considered illegal. There is no accurate estimate of the amount of this type of production.

2.1 Import-export of alcohol in Montenegro

The movement of total export and import of all alcoholic beverages (beer, still wine, sparkling wine, other non-sparkling fermented beverages, medium alcoholic beverages, ethyl alcohol with an alcohol content exceeding 1.2 percent by volume, and sparkling fermented drinks) is shown on Figure 2.2, panel a. Over the whole period observed, the value of imports is larger compared to exports. Both imports of beer and spirits have shown a steady increase in value, while wine has been mostly steady. Regarding wine, it should be noted that exports are higher than imports, which is expected for the Montenegrin market if we take into account that Montenegro has suitable land for growing grapes, as well as the fact that Montenegro is known for wine production.

Figure 2.2. Trends of alcoholic beverages of export and import



Source: Revenue and Customs Administration

Panel a – Export and import of alcoholic beverages (total, wine, beer, and spirits)

Panel b – Export and import of wine

Panel c – Export and import of beer

Panel d – Export and import of spirits

Narrowing the data, it is possible to analyze the import and export trends of the three main alcoholic beverage types—wine, beer, and spirits—separately (Figure 2.2, panels b, c, and d). Wine exports are higher than imports, while the opposite was found for beer and spirits during the whole period observed (2018–2022).

3 DEMAND FOR ALCOHOL IN MONTENEGRO

Alcohol consumption is influenced by the laws, culture, and other characteristics of each country. Based on the World Health Organization (WHO) records on alcohol consumption in liters of pure alcohol for each European country, in 2019 Montenegro recorded a high alcohol intake of on average 10.34 liters per capita, ages 15+ (*Alcohol, Heavy Episodic Drinking (15+), Drinkers Only, Past 30 Days (%)*, n.d.). More concerning is the fact that men drink approximately 16.86 liters, while women drink about 4.31 liters (Table 3.1). This prevalence has been stable over the years observed.

Table 3.1. Alcohol, total per capita (age 15+) consumption⁴ (in liters of pure alcohol)

Year	Both sexes	Male	Female
2010	10.4 (7.52-13.45)	16.92 (12.23-21.93)	4.36 (3.06- 5.77)
2015	9.55 (6.86-12.55)	15.59 (11.2-20.4)	3.96 (2.78- 5.33)
2016	9.8 (n/a)	13.5 (n/a)	2.8 (n/a)
2019	10.34 (7.53-13.28)	16.86 (12.24-21.74)	4.31 (3.07- 5.62)

Source: World Health Organization – WHO

According to the available WHO estimates, the level of unrecorded alcohol consumption⁵ (in liters of pure alcohol) amounts to 2.6 liters per capita per year.

⁴ Total alcohol per capita consumption APC is defined as the total (sum of three-year average recorded and three-year average unrecorded APC, adjusted for three-year average tourist consumption) amount of alcohol consumed per adult (15+ years) over a calendar year, in liters of pure alcohol

⁵ Unrecorded alcohol consumption in liters of pure alcohol is estimated as a percentage of total alcohol per capita consumption in the population 15 years of age and older. Unrecorded consumption refers to alcohol which is not taxed and is outside the usual system of governmental control, such as home or informally produced alcohol (legal or illegal), smuggled alcohol, surrogate alcohol (which is alcohol not intended for human consumption), or alcohol obtained through cross-border shopping (which is recorded in a different jurisdiction).

(GHO | By Category | Unrecorded Consumption - by Country, n.d.) Based on the available data regarding heavy episodic drinking (Table 3.2) (WHO, 2016), in 2016 Montenegro had the 20th highest rates in Europe (*Alcohol, Heavy Episodic Drinking (15+), Drinkers Only, Past 30 Days (%)*, n.d.) according to the criteria “drinkers only (ages 15+) & both sexes.” Males had more than double the prevalence compared to females.

Table 3.2. Prevalence of heavy episodic drinking* (%), 2016

	Population (15+years)	Drinkers only (15+years)	Population (15-19 years)	Drinkers only (15-19 years)
Males	39.8	58.4	36.4	67.8
Females	9.6	23.9	8.3	31.1
Both sexes	24.4	45.2	22.8	56.2

Source: World Health Organization – WHO

* Consumed at least 60 grams or more of pure alcohol on at least one occasion in the past 30 days.

3.1 Research related to alcohol prevalence

In Montenegro, there are a very small number of studies related to the prevalence of alcohol. Namely, there is only one available study conducted in 2017 that analyzes the entire population in terms of prevalence. The European School Survey on the Use of Alcohol and Other Drugs among Young People (ESPAD) provides more detailed data on the prevalence among young people. The latest data on the youth population group are from 2019.

Box 1. Surveys used

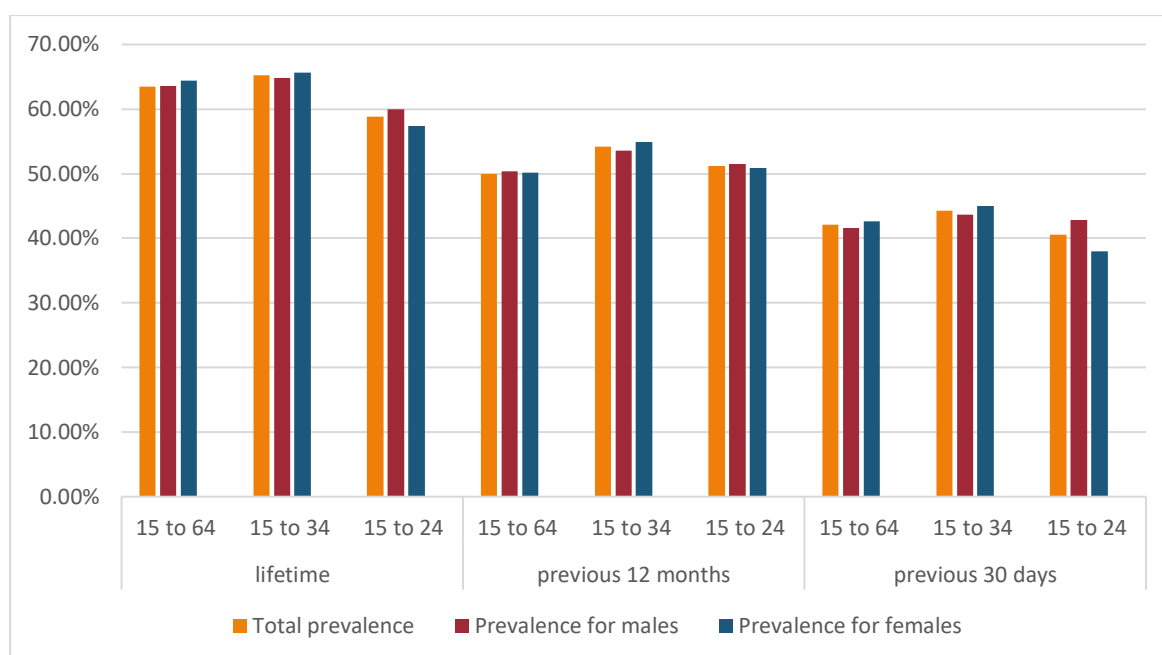
Document	Stakeholder	Year
Study of quality of life, life styles and health risks of Montenegrin residents	Institute of Public Health	2017
Living Standards Measurement Survey (LSMS)	Institute of Public Health	2012
Living Standards Measurement Survey (LSMS)	Institute of Public Health	2008
European School Survey on the Use of Alcohol and Other Drugs among Young People (ESPAD)	Institute of Public Health	2019
European School Survey on the Use of Alcohol and Other Drugs among Young People (ESPAD)	Institute of Public Health	2015
European School Survey on the Use of Alcohol and Other Drugs among Young People (ESPAD)	Institute of Public Health	2011
European School Survey on the Use of Alcohol and Other Drugs among Young People (ESPAD)	Institute of Public Health	2008

In 2017, the Institute for Public Health conducted a national study "Study of quality of life, life styles and health risks of Montenegrin residents." Data on the prevalence of alcohol consumption are presented for the entire sample of respondents (15 to 64 years old), as well as for young adults (15 to 34 years old) and youth (15 to 24 years old). In all three groups of respondents, prevalence ranges from 58.8 percent to 63.5 percent during their lifetime. The general prevalence of alcohol use for all three groups during the previous 12 months is above 50 percent, while in the previous 30 days, it ranges from 40.4 percent to 44.3 percent. The highest total prevalence rates are found in the group of young adults (15 to 34 years). More detailed insights are provided in Figure 3.1 below. There is little difference between men and women regarding the prevalence of alcohol consumption. In this regard, among the youth population, men have a

slightly higher alcohol prevalence, while among young adults and the older population women have slightly higher prevalence.

Considering previous years, there was a drop in prevalence in 2012 compared to 2008 in the group of young alcohol users. More precisely, 33 percent of young people aged 15 to 19 used alcohol in 2012, compared to 50 percent in 2008 when this prevalence was at 50 percent. The opposite pattern was observed in the adult population since almost a third of them were current alcohol users in 2012 compared to 25 percent in 2008. Adult men were more regular alcohol consumers compared to women in 2012 (4.1 percent of men versus 0.5 percent of women used alcohol daily).⁶

Figure 3.1. Prevalence of alcohol by gender, in the population of all adults, young adults and youth

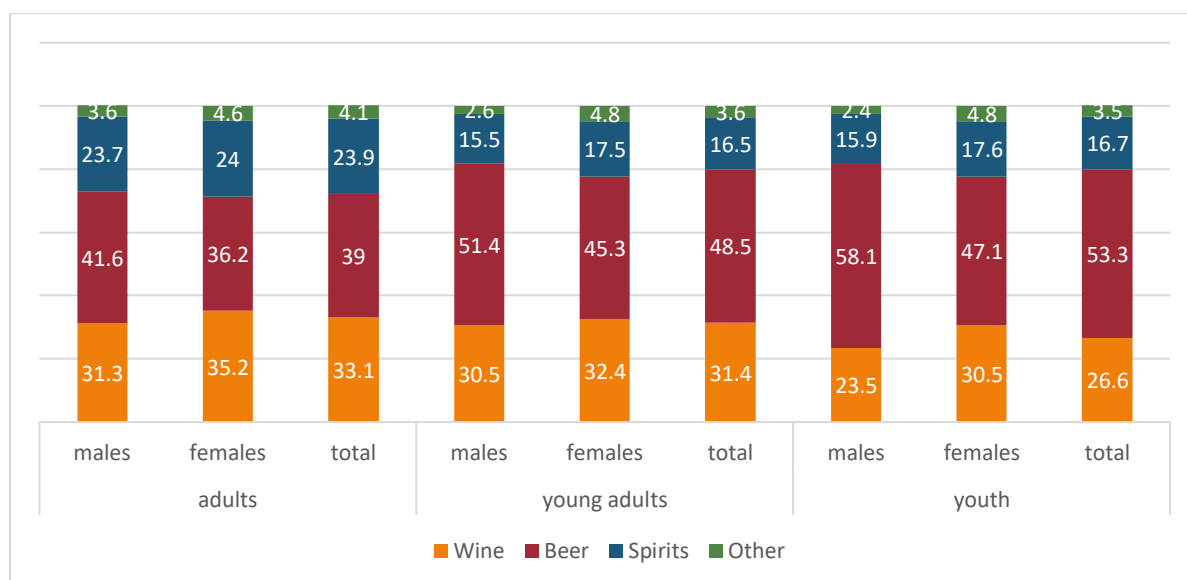


Source: Institute of Public Health, Study of quality of life, life styles and health risks of Montenegrin residents, 2017

⁶ A possible reason for the drop in prevalence in 2012 could be the adoption of the Law on Electronic Media (Official Gazette of Montenegro, No. 046/10 of 06.08.2010), where article 91 prescribes restrictions on advertising and teleshopping of alcoholic beverages.

Based on the research conducted in 2017, the preference of alcoholic beverages was given by defined age groups. The highest intake is related to beer, followed by wine and spirits, respectively (Figure 3.2). Beer is the preferred choice for all three age groups. It is most popular choice for 39 percent of all adults, almost half of young adults (48.5 percent), and more than half of young people (53.3 percent). Men are more likely to choose beer as their preferred drink than women. After beer, wine is the most consumed drink, and then spirits.

Figure 3.2. Prevalence (in percent) of alcohol by gender, in the population of all adults, young adults, and youth, 2017



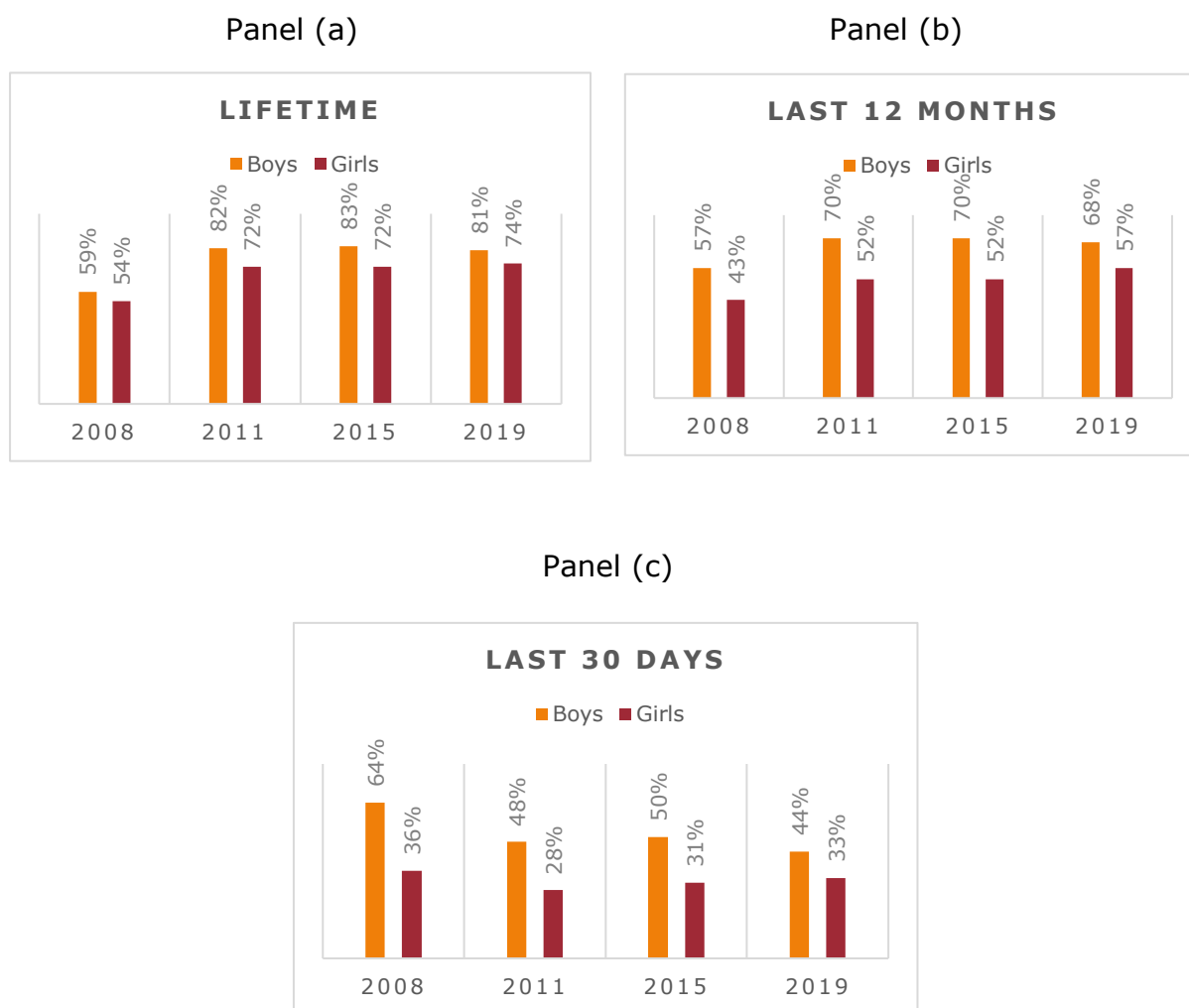
Source: Institute of Public Health, Study of quality of life, life styles and health risks of Montenegrin residents, 2017

3.1.1 Alcohol prevalence – youth

The ESPAD survey (European School Survey on the Use of Alcohol and Other Drugs among Young People) (Institute of Public Health, 2019) provides more extensive data on the prevalence and patterns of alcohol use among the youth population. The prevalence and frequency of alcohol drinking in the ESPAD research was assessed by asking how many times an alcoholic drink was consumed during the respondent’s lifetime, in the previous 12 months, and in the previous 30 days. The

period “in the previous 12 months” is considered the most realistic measure (Institute of Public Health, 2017) of alcohol consumption (Figure 3.3).

Figure 3.3. Overview of the ESPAD survey regarding the prevalence of alcohol



Source: ESPAD survey

Panel a - Overview of the prevalence of alcohol assessed by asking students how many times, if any, they drank an alcoholic beverage in their lifetime

Panel b - Overview of the prevalence of alcohol assessed by asking students how many times, if any, they drank an alcoholic beverage in the previous 12 months

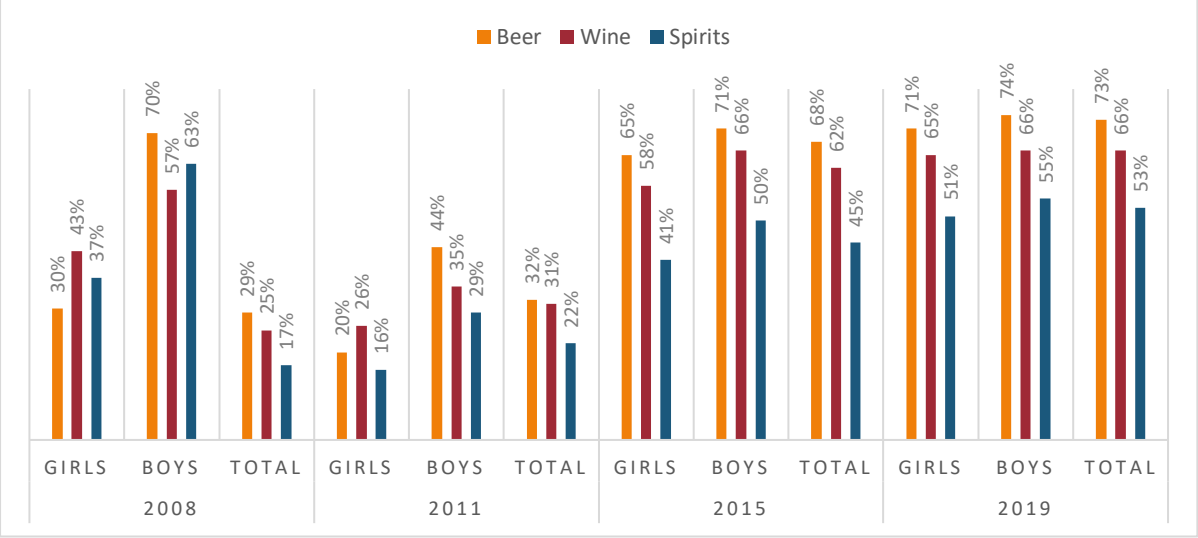
Panel c - Overview of the prevalence of alcohol assessed by asking students how many times, if any, they drank an alcoholic beverage in the last 30 days

In general, looking at lifetime alcohol prevalence (Figure 3.4, panel a) in 2019, there was a 22-percentage-points increase for boys and an increase of 20 percentage points for girls compared to the year 2008. Considering the period in the previous 12 months (Figure 3.4, panel b) boys used alcohol more than girls in 2019 compared to 2008. More precisely, there was an 11-percentage-point increase for boys, as well as a 14-percentage-point increase for girls in the mentioned period. In the period of alcohol use which relates to the previous 30 days, a slight increase in boy's prevalence was observed, with the opposite pattern in the group of girls.

In the observed periods of surveys, for the period in the previous 30 days (Figure 3.4, panel c), there is a significant decrease among boys (20 percent from 2008 to 2019). For girls, the prevalence was always significantly lower, but it also slightly decreased in 2019 compared to 2008 (3 percent).

In all four research periods, the students answered that the most common type of alcohol used was beer, followed by wine and spirits (Figure 3.4). Also, in all four research periods, all three types of alcohol were most used by boys. There is an evident reduction in the difference between boys' and girls' prevalence in 2015 and 2019, specifically due to the increased use of alcoholic beverages among girls. For example, this difference decreased from 40 to only 3 percentage points in 2008 and 2019, respectively, in the case of beer. The same can be said for the other types of alcohol. The most commonly used type of alcohol among girls during 2008 and 2011 was wine, while in 2015 and 2019, beer was mostly the preferred beverage.

Figure 3.4. Prevalence of alcoholic beverages in total and by gender, for 2008, 2011, 2015, and 2019



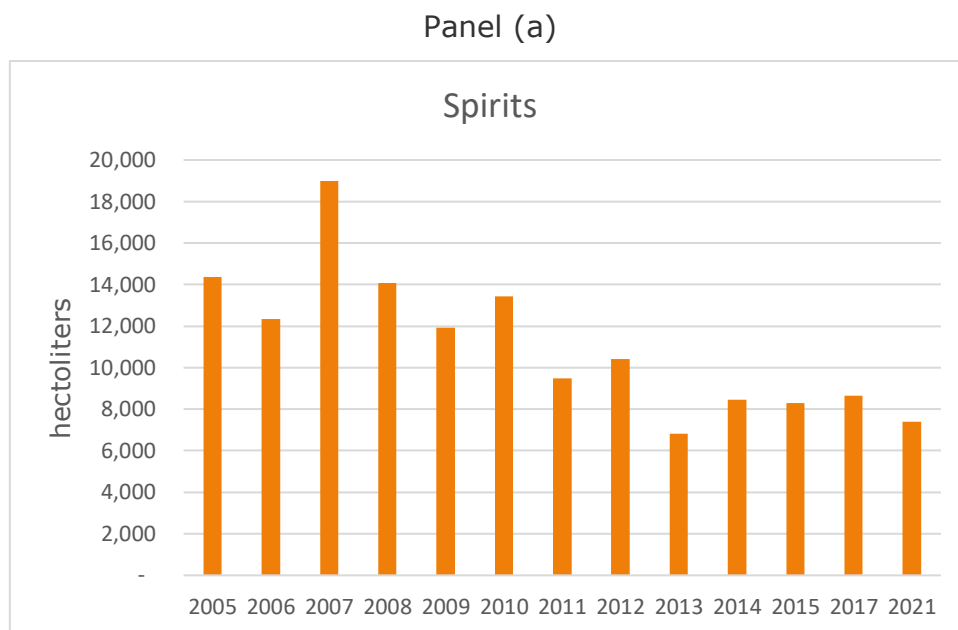
Source: ESPAD survey

4 CONSUMPTION

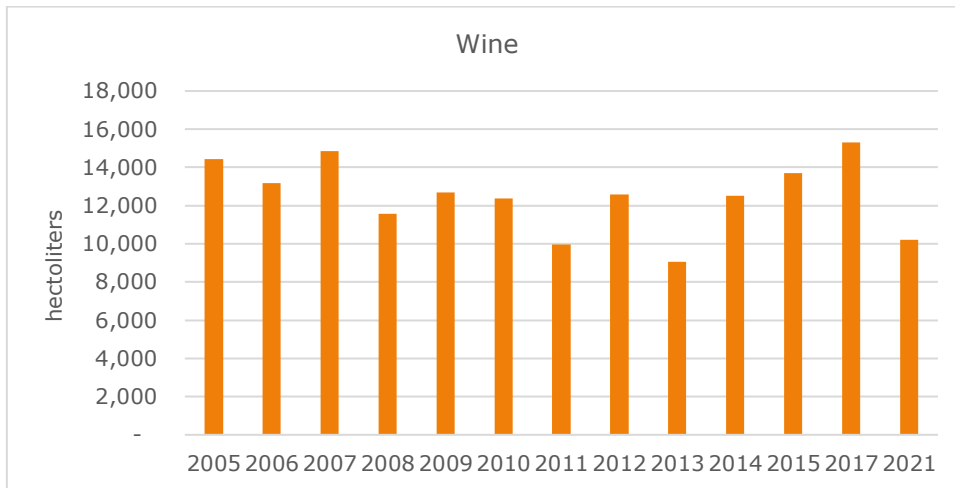
4.1 Household consumption – micro data

The Household Budget Survey (HBS) collects data about expenditures, income, and consumption of households—that is, data about basic elements of personal consumption. To clarify, these data are only related to consumption of alcohol that was purchased for household use. Consumption outside the household (for example, in restaurants) is not assessed by HBS and cannot be measured. Based on the available survey data from 2005–2015, 2017, and 2021, it can be concluded that the consumption of spirits, on average, is decreasing in the home. As expected, in-household consumption beer is the most used beverage (Figure 4.1).

Figure 4.1. Alcohol consumption by type of beverage



Panel (b)



Panel (c)



Source: Statistical office of Montenegro - Monstat

Panel a - Spirits consumption

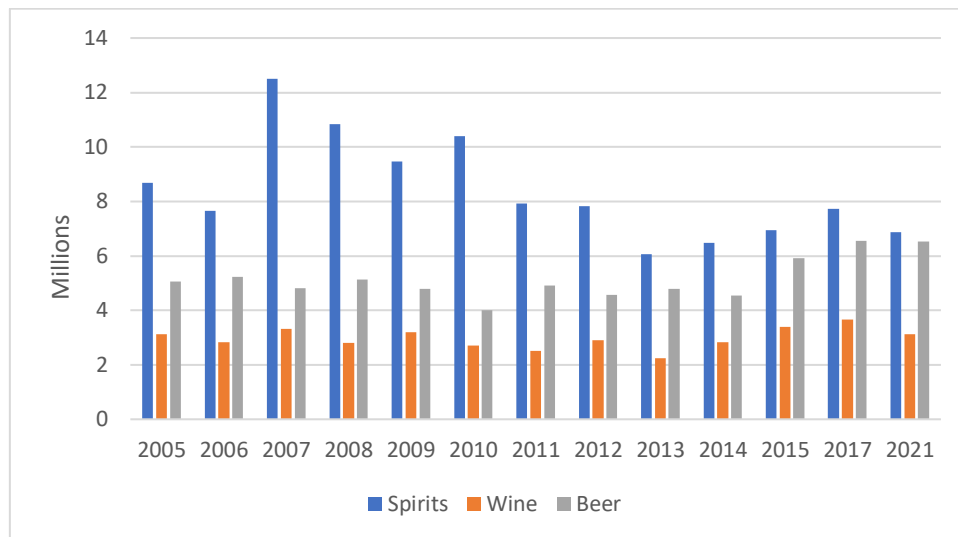
Panel b - Wine consumption

Panel c - Beer consumption

Expenditure (in euros) varies in the following way: the most money is allocated to spirits, followed by beer and wine (Figure 4.2). According to observed trends, household expenditure on spirits has been reduced starting from 2007, while increased spending on beer is observed for the last three years (2015, 2017, 2021) of the observed period. Households allocate relatively the same amount of money to wine throughout the whole period. Figure 4.3 shows the share of budget

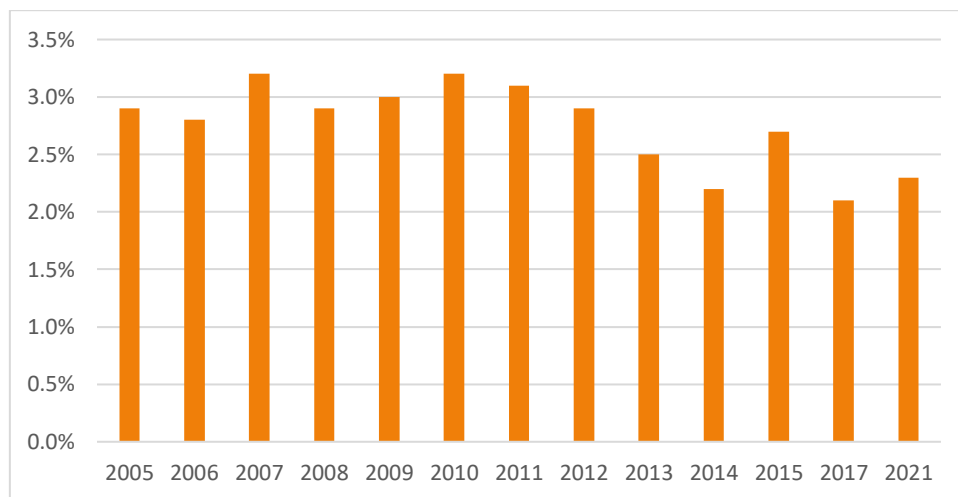
spent on alcohol. In the analyzed period, the shares range from 2.1 percent to 3.2 percent, with a declining trend in the last years (2.3 percent in 2021).

Figure 4.2. Alcohol expenditure by type of beverage (in EUR)



Source: Statistical office of Montenegro – Monstat

Figure 4.3. Alcohol budget share in household's total consumption



Note: The sample consists of households with positive alcohol consumption.

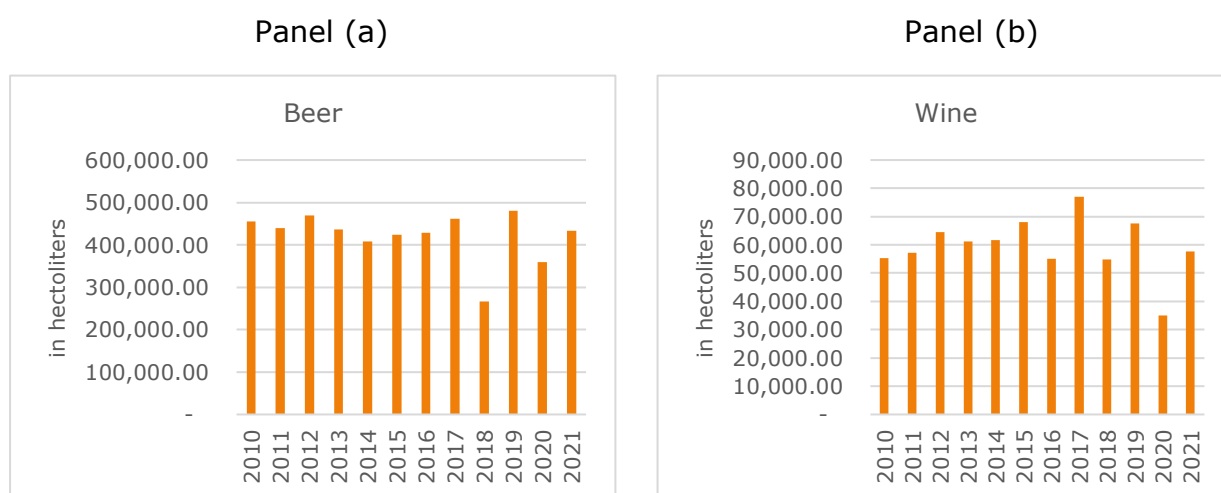
Source: Statistical office of Montenegro – Monstat

4.2 Consumption – aggregate data

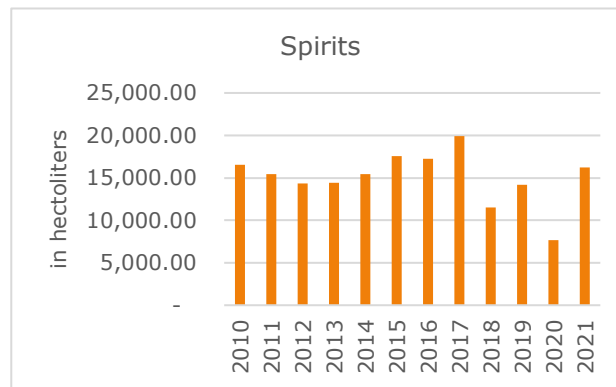
Based on the data on the amount of exports and imports received from the Customs Administration, as well as on the basis of production data from the PRODCOM database, data on alcohol consumption for the period 2010–2021 were obtained. As mentioned above (in part 4.1 Household consumption – micro data) HBS is related only to personal consumption; alcohol that was purchased for the household and consumption outside the household is not included. However, thanks to these aggregate data, we have insight into alcohol consumption in a broader sense.

Beer is the most represented beverage in aggregate consumption, followed by wine and finally spirits. The average consumption of wine was 59,612 hectoliters (12 percent of total alcohol consumption), beer 421,702 hectoliters (85 percent), and spirits 15,041 (3 percent). Comparing consumption at the micro level with consumption at the aggregate level, we could conclude that beer and wine have the same trend, but spirits do not. Until 2017, consumption of spirits increased at the aggregate level, while at the micro level it decreased (Figure 4.4).

Figure 4.4. Alcohol consumption



Panel (c)



Source: Statistical office of Montenegro - Monstat

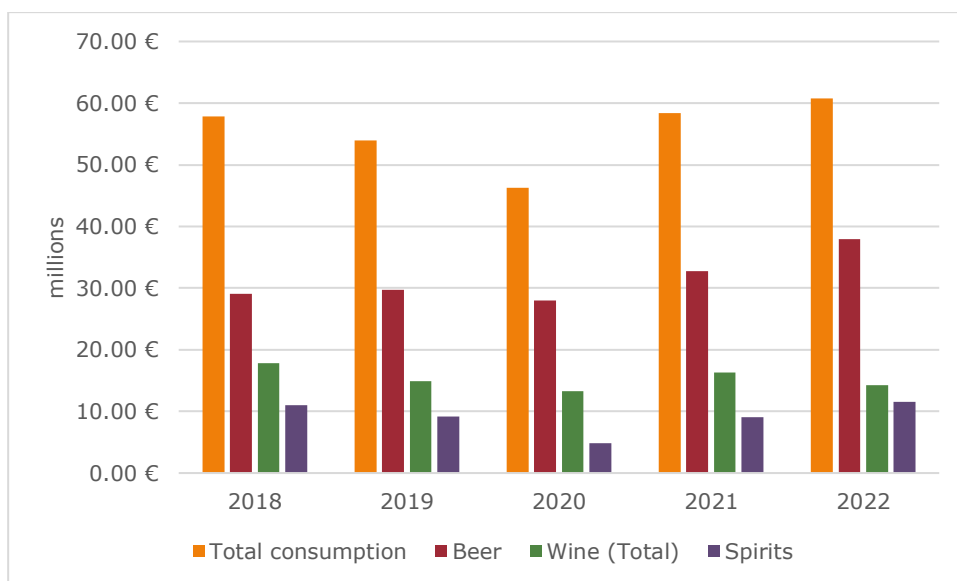
Panel a – beer consumption

Panel b- wine consumption

Panel c- spirits consumption

If we consider consumption calculated on the basis of data received from the Revenue and Customs Administration, wine is the most represented beverage in consumption (Figure 4.5). It can be concluded that, regardless of the total consumption, the consumption of wine is at almost the same level in the analyzed period.

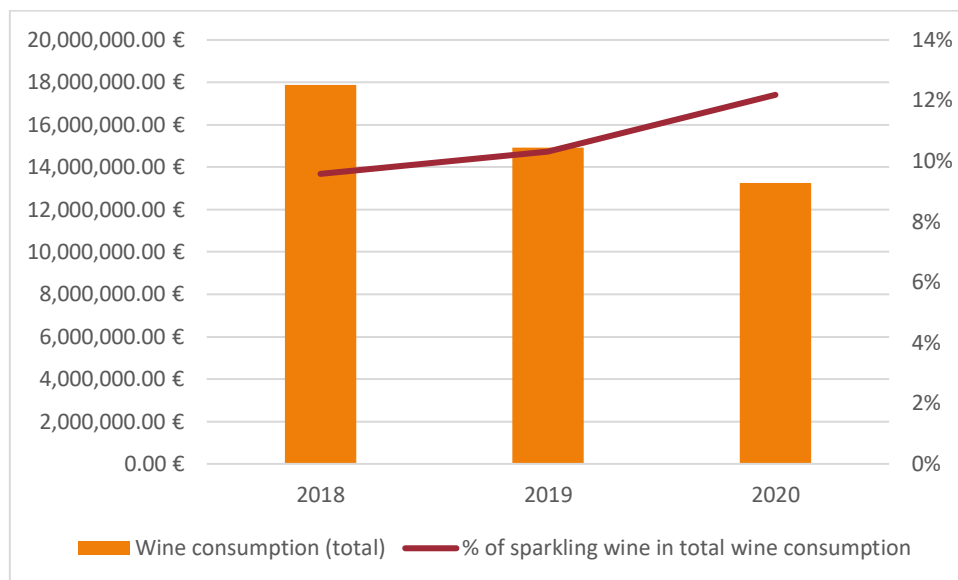
Figure 4.5. Alcohol consumption by type of alcohol



Source: Authors' calculations based on data from Revenue and Customs Administration

Wine consumption consists of still wine consumption and sparkling wine consumption. Bearing in mind the fact that sparkling wine is subject to excise tax, it would be useful to calculate the share of sparkling wine in the total wine production. However, since the PRODCOM database does not contain data on sparkling wine, and the competent Ministry does not have precise data on the production of this category of wine, we are not in a position to provide an accurate calculation. Based on the available data from the Ministry, we can conclude that these are small quantities, and that there would not be a big effect on the amount of excise duty. For example, in 2021, the share of sparkling wine production in the total wine production was 0.46 percent.

Figure 4.6. Percentage of sparkling wine in total wine consumption



Source: Authors' calculations based on data from Revenue and Customs Administration

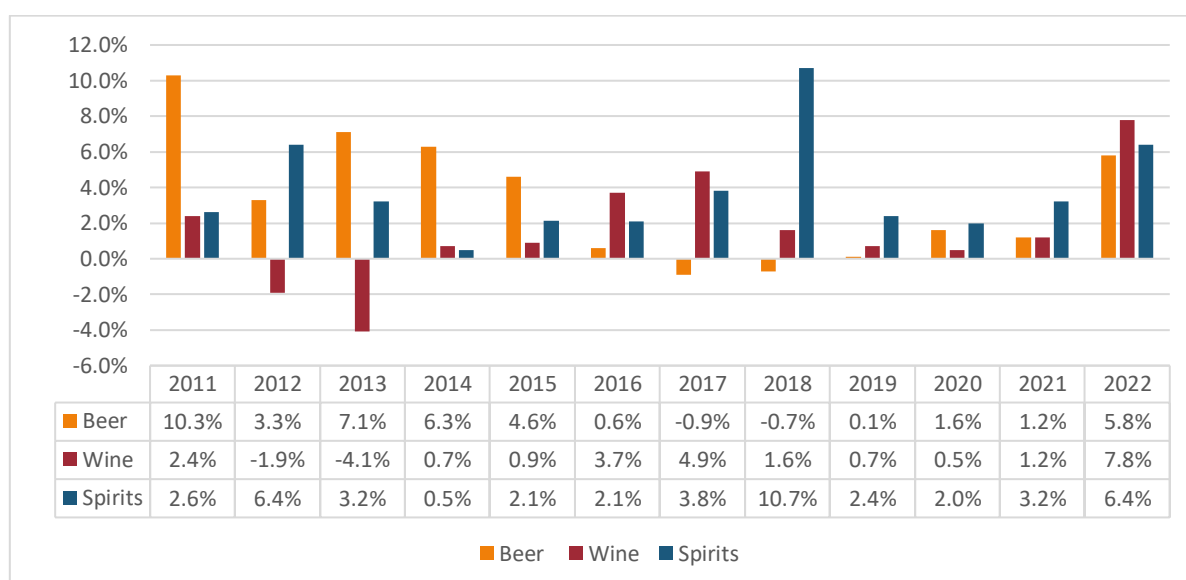
According to data related to imports, the ratio of sparkling wine consumption in total wine consumption is presented for 2018, 2019, and 2020. It can be concluded that it was at the same level (10 percent) until 2020, after which there was growth (Figure 4.6).

4.3 Consumer prices index CPI

The analysis of alcoholic beverage prices is done using consumer prices index (*Statistical Office of Montenegro - MONSTAT*), which is calculated in the way that covers the consumption of all private households with permanent residence at the economic territory of a country. In selected cities, the shops are selected by the highest turnover of goods and services. The data sources of CPI include retail stores (mini-markets, supermarkets, kiosks, and specialized shops), entrepreneurs, public companies, and the internet.

Data for the period from 2011 to 2022 are available for all three types of alcohol (beer, wine, and spirits). The graphic data are given below (Figure 4.7) and demonstrate that spirits recorded the highest CPI level (10.7 percent in 2018) while wine recorded the lowest (-4.1 percent in 2013). The CPI analysis shows the decrease in beer prices until the final year 2022 when the rise in prices begins, which can be attributed to the increase of total CPI.

Figure 4.7. Consumer price index (CPI) in Montenegro for all three types of alcohol from 2011 to 2022



Source: Statistical office of Montenegro - Monstat

5 POLICY FRAMEWORK

5.1 Institutional, policy, and legal framework

The institutions that are most involved in setting regulations for defining policies in the area of alcohol are the Ministry of Health; Ministry of Finance; and Ministry of Agriculture, Forestry and Water Management. Other institutions that deal with strengthening activities in the community and work environment related to the creation of alcohol regulations and policies are the Institute for Public Health and the Ministry of Education, as well as the Ministry of the Interior.

The Ministry of Health (*Ministry of Health, 2023*) is responsible for the complete legal regulations related to the availability of alcohol and compliance with the standards and recommendations of the European Union. Recognizing the problem of excessive alcohol consumption, this Ministry developed the National Strategy 2013–2020, as well as the Program for the Prevention of Harmful Use of Alcohol and Alcohol-related Disorders in Montenegro for the period from 2022 to 2024. The Ministry is in charge of monitoring and taking measures for treatments, as well as education of the public on recognizing the harmful use of alcohol.

The Ministry of Finance (*Ministry of Finance, 2023*) manages the creation and enforcement of the national alcohol taxation system, where, among other things, the amount of taxes on products, as well as the minimum excise duties per alcoholic beverage, are determined. Within this Ministry, the Revenue and Customs Administration (*Revenue and Customs Administration of Montenegro - Taxis Portal*) is responsible for recording and collecting excise taxes on alcohol. In the action plans, which are an integral part of the strategic documents in the area of alcohol, it is prescribed that the Ministry of Finance is also responsible for defining and implementing an effective alcoholic beverages taxation policy.⁷

The Institute for Public Health (*Institute of Public Health- IJZCG, 2023*) is in charge of monitoring the prevalence of alcohol use. The results of research carried out by the Institute provides detailed statistics regarding alcohol use among youth

⁷ Accordnig to Action plans from National Strategy for the Prevention of Harmful Alcohol Use and Alcohol-Induced Disorders of Montenegro 2013-2020

and the entire population. The Institute also develops programs and initiatives for the prevention of harmful alcohol use and alcohol-related disorders.

The jurisdiction of the Register of Spirits Drinks Producers⁸ and the Vineyard Register⁹ is under the Directorate for Food Safety, Veterinary and Phytosanitary Affairs (*Directorate for Food Safety, Veterinary and Phytosanitary Affairs, 2023*) which is part of the **Ministry of Agriculture, Forestry and Water Management** (*Ministry of Agriculture, Forestry and Water Management, 2023*) This Ministry is also responsible for taking measures to estimate the size of illicit trade. In addition, this Ministry is in charge of providing guidelines to farmers on how to register for the personal production and sale of alcohol products. The license or selling authorization as well as the method of alcohol sale falls under the jurisdiction of this Ministry (Government of Montenegro, 2023).

In order for young people to be familiar with the harmful properties of alcohol in a timely manner and in early ages, the **Ministry of Education** (*Ministry of Education, Science and Innovation, 2023*) contributes to this through diligently prepared educational programs during schooling.

The Directorate for Inspection Affairs (*Administration for Inspection Affairs, 2023*) is responsible for the development and establishment of effective systems of supervision over the advertising of alcoholic products by public agencies or independent bodies. The main aim of this body is prevention and counteraction to inappropriate behavior, defining clear and effective punishments for violators and support/rewards for correct marketing messages. Also, the competence of the administration for inspection activities includes extensive chemical testing of samples of illicit production in order to identify the riskiest ingredients and their harmful potential.

The Ministry of the Interior (*Ministry of the Interior, 2023*) is in charge of supporting activities aimed at excessive alcohol consumption in public places and sports events, as well as programs intended for population groups at risk in order to reduce the consequences of harmful alcohol use. To reduce the number of traffic

⁸ In accordance with the Law on Spirits Drinks

⁹ In accordance with the Law on Wine

accidents, this Ministry is responsible for driving and road safety (random alcohol testing).

5.2 Alcohol control measures

In September 2011, Montenegro supported the European Action Plan for Reducing the Harmful Use of Alcohol 2012–2020 (WHO, 2012). It established four priority areas for member countries and producers of alcoholic beverages in those countries: protection of young people, children, and unborn children; reducing the number of injuries and deaths in traffic accidents that are the result of alcohol consumption; preventing the harmful effects of alcohol on adults and reducing the negative impact of consuming alcoholic beverages at the workplace; increasing awareness of the harmful and dangerous effects of alcohol consumption; and developing a common database on this problem at the European Union level.

Current alcohol control measures in Montenegro are defined by provisions of the relevant laws.

5.3 Legislative framework

Regulations governing alcoholic beverages have changed over the years. The first law that regulated the production and sale of strong alcoholic beverages or spirits was the Law on Alcoholic Beverages (*Law on Alcoholic Beverages, " Official Gazette of Montenegro ", No. 83/2009, n.d.*) (2009). This law defined three specific categories of alcohol products: brandies, spirits, and other alcoholic beverages. Among its provisions, an important measure was the establishment of a register for spirits production.

In 2016, the **Law on Spirits** (*Law on Spirits, 'Official Gazette of Montenegro', No. 053/16 from 11.08.2016, n.d.*) was adopted, replacing the former law (Government of Montenegro, 2022). This new law, notably more comprehensive and detailed compared to the previous one, introduced several key provisions:

- Custom labels for spirits (Article 3): This provision aimed to enhance the identification and verification of spirits through the implementation of custom labels.

- Expansion of spirits' categories (Article 5 to Article 50): To prevent consumer confusion and ensure market transparency, the categories of alcoholic beverages were broadened, with clear distinctions between different types of beverages.
- Conditions for production facilities (Article 51): The new law specified that alcoholic beverages could only be produced in facilities meeting the conditions outlined in the legislation that regulates food safety (Law on Food Safety). This measure aimed to uphold the quality and safety standards of spirits production.
- The Law on Spirits outlined a comprehensive quality evaluation process. This includes both organoleptic evaluation (Article 65) as well as the physico-chemical analysis (Article 64).

In an effort to further comply with current European Union legislation, as well as acceptance of membership obligations resulting from the World Trade Organization Trade-Related Aspects of Intellectual Property Rights agreement (WTO-TRIPS), the government of Montenegro adopted the new Law on Spirits Drinks in 2023. Compliance with the European Union (EU) is reflected in the definition, description, and designation of geographical indications¹⁰ of alcoholic beverages. The main change incorporated in the new law is the strong support for consumer protection, removal of the asymmetry of information, and prevention of misleading practices (Government of Montenegro, 2022). Compared to the previous law from 2016, there have been minor changes in the categorization of spirits (from Article 5 to Article 49). According to quality assessments, the Ministry issues permits allowing the sale of strong alcoholic beverages until the stock is depleted, as opposed to the previous one-year limit. Additionally, this Law has introduced a method for describing, presenting, and labelling alcohol blends (Article 58). For a spirit to enter the market, the producer—in addition to being registered in the

¹⁰ A geographical indication is a label that designates a spirit as a drink that originates from the territory of a country, region, or locality in that territory; and the quality, reputation, or other characteristic of that spirit can be attributed to its geographical origin. This should contribute to the maintained specificity and the variety of Montenegrin production. (Source: <https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/590/2953-16953-11-4-22-2.pdf> page 48).

Register of Spirits Drinks Producers—must hold a license for selling spirits, as outlined in Article 97.

Wine regulation has a longstanding history, dating back to the adoption of the first specialized law in 1974, titled the Law on Wine and Grape and Wine Products that was replaced in 1983 with the Law on Wine and Grape and Wine Products. This legislation was amended several times particularly related to the misdemeanor penalties, which were increased over time, and was valid until 2007 when the new Law on Wine was introduced. Presently, the regulatory framework governing the Montenegrin wine market is the Law on Wine, adopted in 2016. The Law on Wine regulates the production and sales of grapes for wine production, as well as other grape products, addressing various crucial aspects for the viticulture sector in Montenegro. Wine can be introduced to the market only after obtaining a permit from the Ministry of Agriculture, Forestry and Water Management, which is issued based on the wine quality assessment report as prescribed by Article 40 of this law.

Compared to the previous law from 2007, the new Law on Wine from 2016 clearly defines specific restrictions. For instance, it is strictly prohibited to add sugar to enhance the alcohol strength in the wine, except when it becomes necessary due to adverse weather conditions (Article 38). If needed, an accredited laboratory, in accordance with ISO/IEC 17025 and authorized by the Ministry of Agriculture, Forestry, and Water Management, assesses the requirement for sugar addition. The assessment of wine quality was previously carried out by a legal entity that has one employee with an engineering degree. Now, authorized laboratories perform the laboratory analysis of both physical and chemical properties (Article 42). According to this law, standardized data for wine labels, applicable to all types of wine, are defined (Article 47). Additionally, specific details for the consignment note accompanying wine transport are outlined (Article 52).

Furthermore, an analysis of the existing alcohol regulations in Montenegro is provided from the perspective of the following areas: traffic, police, public order and peace, excise duties, tourism, protection against domestic violence, and electronic media.

Traffic

Law on Road Traffic Safety defines the rules on transportation in a motor vehicle in regard to the amount of alcohol in the blood (Article 25, paragraph 1). A person is considered to be under the influence of alcohol if their blood sample shows an alcohol content of more than 0.3 grams/kilogram (g/kg), or if the presence of alcohol in the body is determined by appropriate means or devices for measuring alcoholism (breathalyzer, etc.) of more than 0.3 g/kg (Article 182, paragraph 4). Penalties are defined according to the amount of alcohol in the blood (Article 318).

Police

The Criminal Code of Montenegro also includes mandatory alcohol treatment (Article 72, paragraph 1; Article 67, paragraph 4) for the perpetrator who committed a criminal offense due to alcohol addiction and where there is a risk that, due to this addiction, he will continue to commit criminal acts.

The Law on Execution of Imprisonment Sentences, Fines and Security Measures stipulates that all convicts must first be cured of alcoholism, after which they will be sent to serve their sentence (Article 17). The Law also defines precautionary measures for prisoners in case of alcohol use (Article 88).

Public order and peace

The Law on Public Order and Peace defines penalties for any legal entity that sells or facilitates the use of alcoholic beverages to a person under the age of 18 or a person who is clearly under the influence of alcohol (Article 25, paragraph 1). A protective measure of compulsory treatment for alcohol use disorder can also be imposed on a person who has committed an offense under this law as a result of alcohol addiction (Article 38, paragraph 4).

Tourism

The Law on Tourism and Hospitality stipulates that it is prohibited to serve alcoholic beverages, other beverages containing alcohol in a catering facility to persons under the age of 18. In a catering facility where alcoholic beverages, other beverages and/or beverages containing alcohol are served, a sign prohibiting their serving to persons under the age of 18 must be displayed in a visible place. If a violation occurs, penalty provisions are prescribed.

Protection from domestic violence

The Law on Protection from Domestic Violence defines mandatory drug addiction treatment for perpetrators who commit violence due to alcohol addiction, and in case there is a risk that they will commit the same act again due to alcohol abuse. The method of treatment is defined by the **Rulebook on the closer method of execution of the protective measure mandatory treatment for addiction.**

Electronic media

The Law on Electronic Media covers prohibited activities related to the provision of commercial audio-visual communications. Specifically, commercial audio-visual communications that promote alcoholic beverages must not be targeted at minors and must not encourage the consumption of such beverages (Article 85, paragraph 6). Additionally, commercial audio-visual communications must not create the impression that the consumption of alcohol can improve physical condition or driving skills, nor that alcohol consumption contributes to social or sexual success; must not create the impression that alcohol consumption has medicinal properties or serves as a stimulant, sedative, or means of solving personal problems; must not encourage excessive alcohol consumption or portray abstinence or moderation in a negative sense; and must not highlight a high alcohol percentage as a positive characteristic of the beverage.

The Rulebook on Commercial Audio-visual Communications emphasizes that commercial audio-visual communications promoting alcoholic beverages

must not be aimed at minors and must not encourage the consumption of such beverages (Article 33).

Excise taxes

The Excise Law was adopted in 2001 and has had numerous changes since. Amendments to the Law on Excise Taxes in 2005 mandated labeling of alcoholic products sold in free customs shops with a special excise stamp. After that, in 2008, amendments to the law were related to the different categories of alcoholic beverages—more precisely, introducing the concept of non-sparkling fermented beverages with an alcohol content exceeding 5.5 percent by volume as well as sparkling beverages with an alcohol content exceeding 8.5 percent by volume.

The amendments in 2017 introduced strong alcoholic beverages.¹¹ These amendments also defined small producer of spirits as one who produces up to 500 liters of spirits annually for marketing purposes.

With the changes in 2020, it was defined that a small independent beer producer pays an excise tax in the amount of 50 percent of the excise tax defined for this type of alcoholic beverage by the law. The base for the excise tax for small producers is the same as for other producers (the volume of alcohol per hectoliter of beer produced). Today, excise taxes are paid on sparkling wine, while still wine is excise tax free.

Excise taxes were amended several times in 2009, 2011, 2012, 2018, and 2021 along with the definition of alcohol categories (for instance the name "table wine" was changed to "still wine," while the name of "medium alcoholic drink" was changed to "intermediate products").

Table 5.1 presents the dates of changes/amendments in excise tax rates, starting from the first Excise Tax Law until now. Beer and pure alcohol are taxed by alcohol by volume, or ABV. As can be observed, since 2001 excise taxes for beer, intermediate products, and pure alcohol have been increasing.

¹¹ Strong alcoholic beverages are defined as beverages intended for human consumption, containing at least 15% alcohol by volume, and produced in accordance with the Law on Alcoholic Beverages (from 2016).

The excise tax on other fermented beverages in 2001 was 40 euros, and from 1 January 2009 it was 0 euros. The reason for this change is that the category of “other fermented beverages” was removed from the law, and two other categories—non-sparkling fermented beverages and other sparkling fermented beverages—were introduced.

Table 5.1. Excise calendar for alcohol (EUR per hectoliter)

Date	Beer (ABV)	Still wine	Sparkling wine	Other fermented beverages	Non-sparkling fermented beverages	Other sparkling fermented beverages	Intermediate products	Pure alcohol (ABV)
31.12.2001-01.04.2002	0.91	0.00	35.00	40.00	n/a	n/a	70.00	550.00
02.04.2002-01.01.2003	1.23	0.00	35.00	40.00	n/a	n/a	70.00	550.00
02.01.2003-01.01.2004	1.55	0.00	35.00	40.00	n/a	n/a	70.00	550.00
02.01.2004-31.12.2008	1.90	0.00	35.00	40.00	n/a	n/a	70.00	550.00
01.01.2009-31.12.2010	1.90	0.00	35.00	/	0.00	35.00	70.00	550.00
01.01.2011-22.12.2011	3.5	0.00	35.00	/	0.00	35.00	70.00	550.00
23.12.2011-31.12.2012	3.5	0.00	35.00	/	0.00	35.00	100.00	650.00
31.12.2012-31.07.2017	5.00	0.00	35.00	/	0.00	35.00	100.00	650.00
01.08.2017-31.12.2017	5.00	0.00	35.00	/	0.00	35.00	100.00	850.00
01.01.2018-31.12.2018	5.00	0.00	35.00	/	0.00	35.00	100.00	1,050
01.01.2019-31.12.2019	5.00	0.00	35.00	/	0.00	35.00	100.00	1,250
01.01.2020-04.08.2020	5.00	0.00	35.00	/	0.00	35.00	100.00	1,500.00
05.08.2020-30.06.2023	5.00	0.00	35.00	/	0.00	35.00	100.00	1,250.00
01.07.2023-	5.00	0.00	35.00	/	25.00	35.00	100.00	1,250.00

Source: Law on Excise Taxes

Currently, based on the **Law on Excise Taxes** Montenegro applies a mixed excise tax system, which varies depending on alcoholic beverage type.

- Spirits: alcohol-content-based specific uniform excise tax. The tax is uniform—that is, the same rate applies to the quantity of the pure alcohol on alcoholic beverages of the same type (for example 3.5 euros per 700 milliliter spirits bottle at 40 percent alcohol by volume).¹²
- Beers: alcohol-content-based specific excise tax. This tax is uniform and the same rate applies no matter the alcohol strength (for example 0.08 euros per 330 milliliter beer bottle at 5 percent alcohol by volume).¹³
- Sparkling wine: volume-based specific excise tax. This tax is exclusively imposed on sparkling wine and does not extend to still wine.

In the European region (WHO region classification), the proportion of countries with alcohol-content-based excise taxes applied to beers and spirits is as following: 82 percent for beer and 96 percent for spirits (WHO, 2023).

5.4 Comparison of EU regulations with Montenegrin regulations

According to Council Directive 92/84/EEC (EU, 1992) alcohol products are defined by the following categories: alcohol and alcoholic beverages, intermediate products, wine (still and sparkling), and beer. Currently, in addition to the previously mentioned types, there are still non-fermented drinks and sparkling fermented drinks in Montenegro.

In Table 5.2, there is a comparative presentation of the valid amounts of excise duties in Montenegro and the minimum amounts of excise duties in the EU. It can be concluded that excise duties on alcohol in Montenegro exceed the minimum EU excise tax rate. Council Directive 92/84/EEC stipulates that the most appropriate basis for levying excise tax on ethyl alcohol is the volume of pure alcohol, and the most appropriate basis for levying excise tax on wine and intermediate products

¹² Small producers of spirits are obliged by the Law to pay less – 300 euros per one hectolitre of pure alcohol.

¹³ Small producers of beer are obliged by the Law to pay less – 50% of excise tax defined. This applies to producers that produce less than 5,000 hectolitres.

is the volume of pure alcohol in the finished product. In this part, Montenegro fully complies with the EU Directive.

Table 5.2. Overview of excise tax amounts in accordance with the regulations of Montenegro and EU regulations – year 2023

Alcohol and alcoholic beverages (Law on Excise Taxes of Montenegro, Article 43)	Excise tax amount in Montenegro	Excise tax amount in the EU
Beer	5.00 EUR per hectoliter	0.748 ECU ¹⁴ per hectoliter of Plato ¹⁵ or 1.87 ECU per hectoliter of alcohol
Still wine	0 EUR per hectoliter	0 ECU per hectoliter
Sparkling wine	35.00 EUR per hectoliter	0 ECU per hectoliter
Still non-fermented drinks	25.00 EUR per hectoliter	n/a
Sparkling fermented drinks	35.00 EUR per hectoliter	n/a
Intermediate products	100.00 EUR per hectoliter	45 ECU
Pure alcohol	1250.00 EUR per hectoliter	550 ECU per hectoliter

Source: Law on Excise Taxes in Montenegro and EU regulation

Europe’s Beating Cancer Plan (European Commission, 2021) announces that the Commission will propose to introduce the mandatory indication of the list of ingredients and the nutrition declaration on labels of all alcoholic beverages. Regulation (EU) No 1169/2011 (Regulation (EU) No 1169/2011 of the European

¹⁴ This stands for European Currency Unit, which was the precursor to the Euro (€).

¹⁵ This is a measurement used in brewing to determine the concentration of dissolved solids (mainly sugars) in beer wort. It indicates the beer’s density relative to water. The higher the degree Plato, the more concentrated the wort. So, when breweries produce beer, they pay this excise duty based on the beer’s strength (measured in degrees Plato) and the volume (hectoliters) they produce.

Parliament and of the Council of 25 October 2011 on the Provision of Food Information to Consumers, Amending Regulations (EC) No 1924/2006 and (EC) No 1925/2006 of the European Parliament and of the Council, and Repealing Commission Directive 87/250/EEC, Council Directive 90/496/EEC, Commission Directive 1999/10/EC, Directive 2000/13/EC of the European Parliament and of the Council, Commission Directives 2002/67/EC and 2008/5/EC and Commission Regulation (EC) No 608/2004 (Text with EEA Relevance)Text with EEA Relevance, 2018) requested the Commission to adopt a report addressing whether alcoholic beverages should be covered by the requirement to provide the list of ingredients and the nutrition declaration. In Montenegro, there is no legal obligation for the listing of ingredients or nutrition declaration for alcoholic beverages.

Council Directive (EU) 2020/1151 (EU, 2020) prescribes that Member States may apply reduced rates to beer and ethyl alcohol produced in small volumes by independent small producers. In order to avoid other alcoholic beverages being treated differently from beer and ethyl alcohol, Member States should also have the power to apply reduced rates to other alcoholic beverages produced in small volumes by independent small producers. Montenegro regulation is in line with this EU Directive. More precisely, the Law on Excise Taxes defines tax for small producers who produce and sell strong alcoholic beverages as an excise tax in the amount of 300 euros per one hectoliter of pure alcohol.

6 NATIONAL STRATEGIES AND PLANS

Document	Stakeholder	Status
National Strategy for the Prevention of Harmful Alcohol Use and Alcohol-Induced Disorders of Montenegro	Ministry of Health	2013–2020
Program for the Prevention of Harmful Use of Alcohol and Alcohol-Induced Disorders in Montenegro	Ministry of Health	2022–2024

In Montenegro, there are two strategic documents in the area of alcohol use. **The first strategic document was the National Strategy for the Prevention of Harmful Alcohol Use and Alcohol-Induced Disorders of Montenegro for the Period from 2013 to 2020**, with accompanying Action Plans for the periods 2013–2014, 2015–2016, 2017–2018, and 2019–2020 (Table A.1, Appendix). The general objective of this Strategy was to reduce the harmful effects of alcohol use on individuals and society as a whole. Some of the main objectives of the Strategy are:

- Significantly reduce morbidity and mortality caused by harmful consumption of alcohol, other social consequences that result from it, and to improve health and social outcomes for the individual, family, and community.
- Encourage efforts aimed at creating an environment in which children and young people grow up protected from the negative consequences of alcohol consumption.
- Promote and support local, national, and regional prevention activities and efforts to reduce the harmful effects of alcohol.
- Raise general awareness of the scope and characteristics of health, social, and economic problems caused by the harmful use of alcohol, and strengthen commitment of the state to take actions aimed at reducing the harmful use of alcohol.

- Strengthen and improve resources for the prevention of harmful alcohol consumption and treatment of diseases and disorders related to alcohol consumption.

In accordance with the Action Plan 2017–2018, on 9 January 2018 the Ministry of Health formed an expert advisory body, the National Coordinating Council on Alcohol,¹⁶ whose task is to monitor and undertake the measures and activities provided for in the strategic decisions and the action plan for the implementation of the Strategy.

The latest action plan 2019–2020 envisaged undertaking activities aimed at reducing morbidity and mortality caused by the harmful use of alcohol, as well as improving health and social outcomes for the individual, family, and community. Before that, the goal was to create a safer environment in which children and young people grow up protected from the negative consequences of alcohol consumption. Reducing the impact of illegal and unregistered alcohol on public health was one of the priorities of the action plan.

In the **Final report of the National Strategy for the Prevention of Harmful Use of Alcohol and Disorders Caused by Alcohol in Montenegro for the Period 2013 - 2020**, it was concluded that during the period of implementation of the Strategy, the legal framework defining the policy in the area of alcohol was improved. However, the recommendations state that it is necessary to continue with the implementation of a detailed expert analysis of the existing legislation in the area of alcohol use as well as to improve legislation in the health, traffic, and police sectors. Also, there is a recommendation related to the implementation of the informative and educational programs for all population groups on the consequences of harmful alcohol consumption.

The second strategic document in this area is the Program for the Prevention of Harmful Use of Alcohol and Alcohol-Induced Disorders in Montenegro for the period 2022–2024, with the accompanying Action Plan for

¹⁶ The National Alcohol Council is composed of experienced professionals from the field of health, from following institutions: Clinical Center of Montenegro, Institute for Public Health, Dobrota Special Hospital, Health Center Herceg Novi, Ministry of Internal Affairs, NGO CAZAS, Ministry of Education, Center for Social Work. The body is chaired by the Ministry of Health.

the period 2022–2023 (Table A.2, Appendix). The Ministry of Health of Montenegro began the development of this project recognizing the problem of excessive alcohol consumption and the effects it causes both on society and on the economy. The following goals are stated in the document:

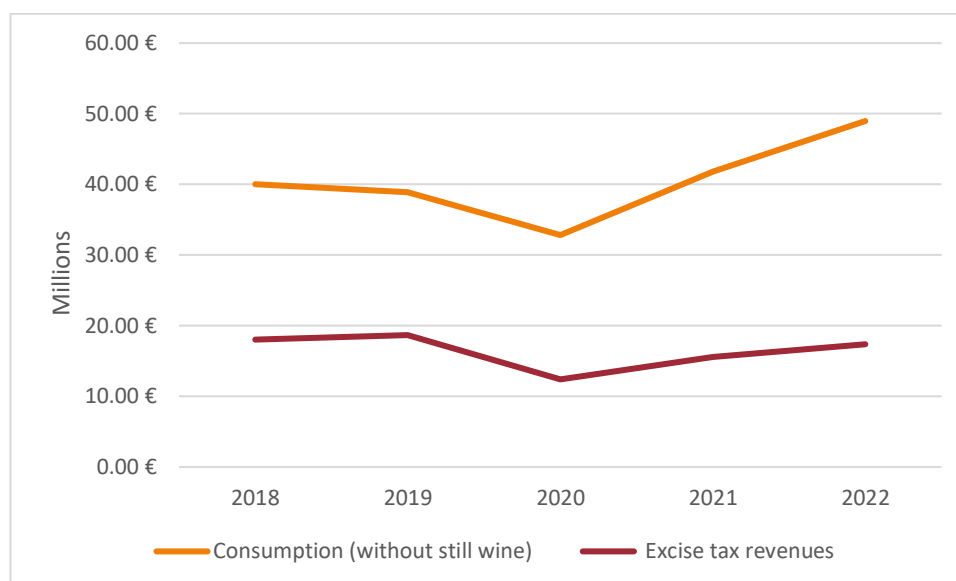
- Raise awareness of the harmful use of alcohol and alcohol-related disorders.
- Improve monitoring and support systems for people with alcohol abuse problems.
- Establish an effective system of supervision over the consumption and advertising of alcoholic beverages.
- Improve regulation in the area of harmful effects of alcohol.¹⁷

¹⁷ Each of the aforementioned goals has defined activities that influence the realization of the goal, indicators of results, as well as the competence of the institutions. The following institutions are responsible for the activities: Ministry of Health, Clinical Center of Montenegro, Institute for Public Health, Health Centers, Inspection, Police, Ministry of Agriculture, Forestry and Water Management, NGO, Ministry of Agriculture, Directorate for Inspection Affairs, Police Department, Ministry of Justice, Human and Minority Rights, Ministry of Finance, Centers for Social Work, Ministry of Education.

7 ALCOHOL TAX REVENUES (EXCISE TAX AND VAT)

Excise tax revenues from alcohol over the last five years have demonstrated a fluctuating pattern. Figure 7.1 shows a significant decline of revenues in 2020, followed by an upward trend thereafter.

Figure 7.1. Alcohol consumption (without still wine) and excise tax revenues



Source: Authors' calculations based on data from Revenue and Customs Administration and Ministry of Finance

Note: The consumption is shown in monetary terms. Data from the Revenue and Customs Administration were used as the source of data, while data from the PRODCOM database, which is used for calculating aggregate consumption, could not be taken into account because PRODCOM is given only quantitatively, not in monetary terms.

Revenue generated from alcohol taxes, including excise tax and value-added tax (VAT), exhibited a significant increase from 2020 to 2022, thus raising its share in the gross domestic product (GDP) from 0.45 percent in 2020 to 0.59 percent in 2022. Over fifty percent of this revenue originates from VAT, with the remaining portion attributed to the excise tax, as shown in Table 7.1. Taking into account

current budget revenues,¹⁸ the share of these excise taxes and VAT declines until 2021, then rises again in 2022.

Table 7.1 Alcohol excise and VAT as a source of public revenue

Tax	Excise		VAT revenue		Total revenue		
	Year	in EUR	% of GDP	in EUR	% of GDP	in EUR	% of GDP
2018	9,863,791.07	0.21	17,989,148.06	0.39	27,852,939.13	0.60	1.01
2019	10,632,704.64	0.21	18,573,958.01	0.37	29,206,662.65	0.59	1.01
2020	6,625,343.99	0.16	12,327,519.57	0.29	18,952,863.56	0.45	0.76
2021	9,488,578.63	0.20	15,950,934.43	0.33	25,439,513.06	0.52	0.95
2022	11,438,707.87	0.22	19,095,975.37	0.37	30,534,683.24	0.59	1.21

Source: Authors' calculations based on data from Statistical Office of Montenegro and Ministry of Finance

Examining the pattern of alcohol consumption in relation to overall personal consumption reveals a similar trend. Specifically, there was a decrease in 2020, registering a one-percent decline compared to the previous year, as well as a one-percent reduction compared to 2018. In contrast, the subsequent year 2021 witnessed an upswing, as illustrated in Table 7.2, indicating an increase in alcohol consumption.

¹⁸ Current revenues of the budget include revenues that the state collects by force of law (taxes, contributions, fees) or voluntarily (fees, part of other revenues) on its territory for a period of one year. They represent the real fiscal capacity of the state and, in principle, this type of income should cover public expenditures for a one-year period. If this is not the case, the state must borrow to meet public needs or sell assets to be able to balance the budget.

Table 7.2. Percentage of alcohol consumption in personal consumption

Year	Personal consumption in EUR	Alcohol consumption in EUR	% alcohol consumption in personal consumption
2018	3,424,602,000.00	57,885,878.53	2%
2019	3,552,289,918.70	53,953,484.13	2%
2020	3,420,735,379.01	46,235,781.47	1%
2021	3,541,538,707.27	58,351,176.16	2%

Source: Authors' calculations based on data from Statistical Office of Montenegro and Revenue and Customs Administration

8 COMPARATIVE ANALYSIS OF TAXATION SYSTEMS

8.1 WHO European Region

In the report **Alcohol Pricing in the WHO European Region** a comparative analysis for all 53 countries of the WHO European Region is presented. The analysis shows that 23 out of 53 countries of the WHO European Region do not levy any alcohol excise tax on wine. In countries where excise tax is levied on wine, it is predominantly unitary (that is, based on the volume of product). Thirty-one out of 53 countries (58 percent) levy beer excise tax based on the volume of alcohol in the product, while 46 out of 53 countries (87 percent) tax spirits on the volume of alcohol in the product.¹⁹ Alcohol excise tax rates are generally higher in Scandinavia, the United Kingdom, Ireland, Turkey, Azerbaijan, and Turkmenistan, and lower in central and eastern Europe. Additionally, excise tax on spirits is generally higher than on beer or wine.

8.2 Montenegro and surrounding countries

Generally, in countries bordering Montenegro the law defines not only different amounts of excise tax, but also the categories of alcohol on which the excise tax is calculated differently (Table A.3, Appendix). By analyzing the excise taxes on beer, it can be concluded that Montenegro is most similar to North Macedonia and Albania. In Bosnia and Herzegovina, the rates are almost three times higher than in Montenegro, and in Serbia they are four times higher. Based on all available data, it can be concluded that Montenegro has lower excise taxes on sparkling wine compared to the region. In contrast, Montenegro has the highest excise taxes on spirits in the region.

Montenegro and neighboring countries have somewhat similar excise taxation systems. In Serbia, the **Law on Excise Taxes in Serbia** prescribes excise taxes for spirits, low-alcohol drinks, and beer. For strong alcoholic beverages, the excise tax is based on one hectoliter of pure alcohol measured at a temperature of 20° C, while for low-alcohol beverages and beer, the base for excise tax is one liter. **The Law on Excise in Bosnia and Herzegovina** in addition to placing an excise

tax on each of these alcoholic beverages individually (based on one liter of alcoholic beverage), provides additional benefits. Namely, a beer producer whose average production in the previous three years is less than 400,000 hectoliters pays a lower excise tax (0.20 Bosnia-Herzegovina convertible marks per liter). This discount also applies to importers who have proof that they purchased beer from producers whose average production in the previous three years is less than 400,000 hectoliters. In Albania, the Law on Excise Taxes prescribes that the base for excise tax is one hectoliter of alcohol (Anamali et al., 2015). The basis for calculating excise tax in Macedonia is a liter of alcoholic beverage (Tian & Liu, 2011), while in Kosovo it is a hectoliter. Interestingly, in Kosovo the excise tax is the same for all types of alcohol.

8.3 Montenegro and EU countries

Using sources from the European Commission (European Commission, 2023) data on excise taxes on alcohol have been collected for all countries of the European Union. Data on the amount of excise tax for each country refer to the basic categories of alcohol: beer, still wine, sparkling wine, intermediate products, and pure alcohol (ethyl).²⁰

Beer

In accordance with the regulations of the European Union (and the UK), there are two ways to express the excise tax on beer: hectoliter of plateau or hectoliter of alcohol. Table 8.1 shows the ranking of EU countries that calculated beer excises per hectoliter of plateau, while Table 8.2 shows the ranking of EU countries that calculated beer excises per hectoliter of alcohol.

²⁰ Note: In certain countries, there are classifications within certain types of alcoholic beverages. More precisely, in some countries intermediate products include still and sparkling categories. In this case, only one value was taken for analysis and it was classified in the category of intermediate products, in order to be comparable with other countries. Additionally, please notice the countries whose name is marked with * are the ones for which an official report of the excise tax is given in the national currency, so for the purpose of comparability, in this report their value is expressed in euros, at the exchange rate on 07/31/2023.

Table 8.1. Comparative analysis of excise taxes on beer based on following criteria: 0.748 ECU per hectoliter of plateau

Country	Beer	Rank
Portugal	10.96	1
Netherlands	8.83	2
Spain	7.48	3
Greece	5	4
Italy	2.99	5
Poland*	2.25	6
Austria	2	7
Belgium	2	8
Malta	1.93	9
Czech Republic*	1.34	10
Romania*	0.85	11
Luxembourg	0.79	12
Germany	0.78	13
Bulgaria*	0.77	14

Source: (European Commission, n.d.)

Table 8.2. Comparative analysis of excise taxes on beer based on following criteria: 1.87 EUR per hectoliter of alcohol

Country	Beer	Rank
Finland	38.05 €	1
Ireland	22.55 €	2
UK	22.27 €	3
Sweden*	18.33 €	4
Estonia	12.70 €	5
Slovenia	12.10 €	6
Lithuania	8.60 €	7
Latvia	8.20 €	8
France	7.82 €	9
Denmark*	6.54 €	10
Cyprus	6.00 €	11
Croatia	5.31 €	12

Montenegro	5.00 €	13
Hungary*	4.65 €	14
Slovak Republic	3.58 €	15

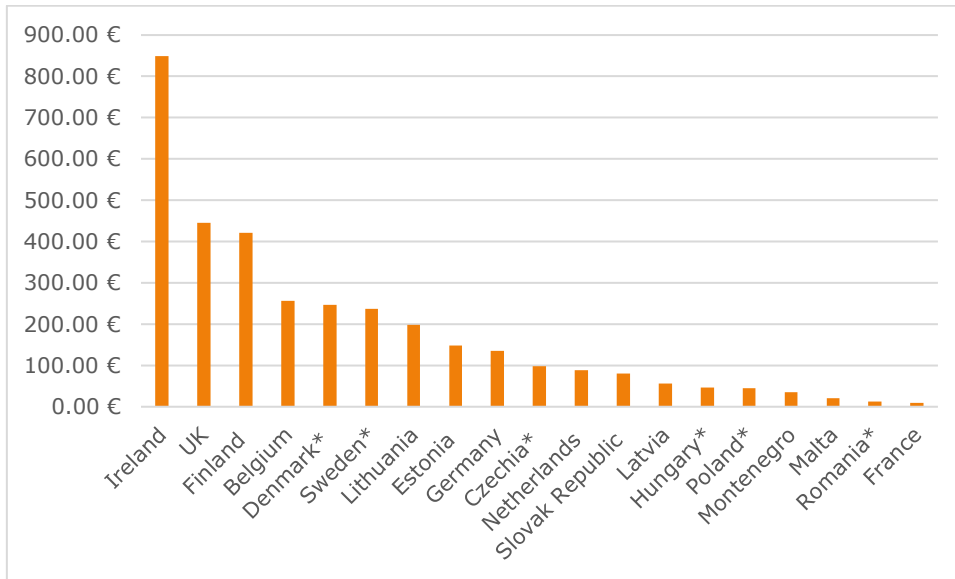
Source: European Commission

It can be concluded that compared to the countries of the European Union, Montenegro has lower excise tax rates on beer—that is, it is almost eight times less than the country with the highest excise tax (Finland, 38.05 euros). Also, it is lower compared to Hungary (less by 0.35 euros) and the Slovak Republic (less by 1.42 euros).

Wine (still wine and sparkling wine)

In the EU, not all countries have excise taxes on still wine and/or sparkling wine. Out of 29 EU countries for which we found data on the website of the European Commission (the data include the UK), 13 countries have excise taxes on both types of wine, and six additional countries have only imposed excise taxes on sparkling wine, which means that more countries in the EU have excise taxes on sparkling wine. Ten countries have no excise tax on any type of wine. An overview of the excise tax on sparkling wine is given in Figure 8.1, where the countries are ranked according to the level of excise tax on alcohol (from largest to smallest). Among them, is Montenegro, which has a lower excise tax rate compared to most countries that have excise taxes.

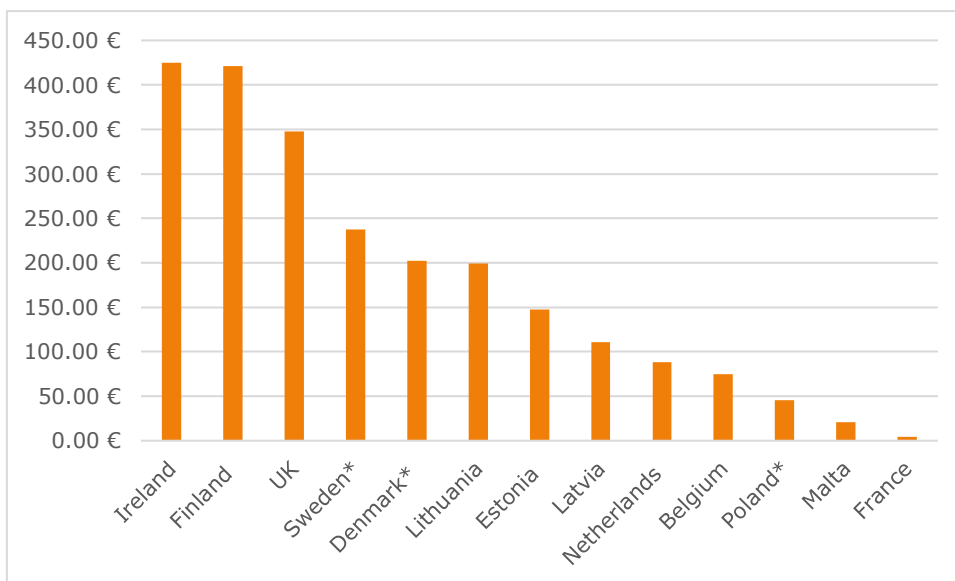
Figure 8.1. Comparative analysis of excise taxes on sparkling wine for EU countries and Montenegro (EUR per hectoliter)



Source: European Commission

As far as excise tax on still wine is concerned (Figure 8.2), Ireland has the highest excise tax (424.84 euros per hectoliter), while the lowest is recorded in France (9.85 euros per hectoliter).

Figure 8.2. Comparative analysis of excise taxes on still wine for EU countries (EUR per hectoliter)

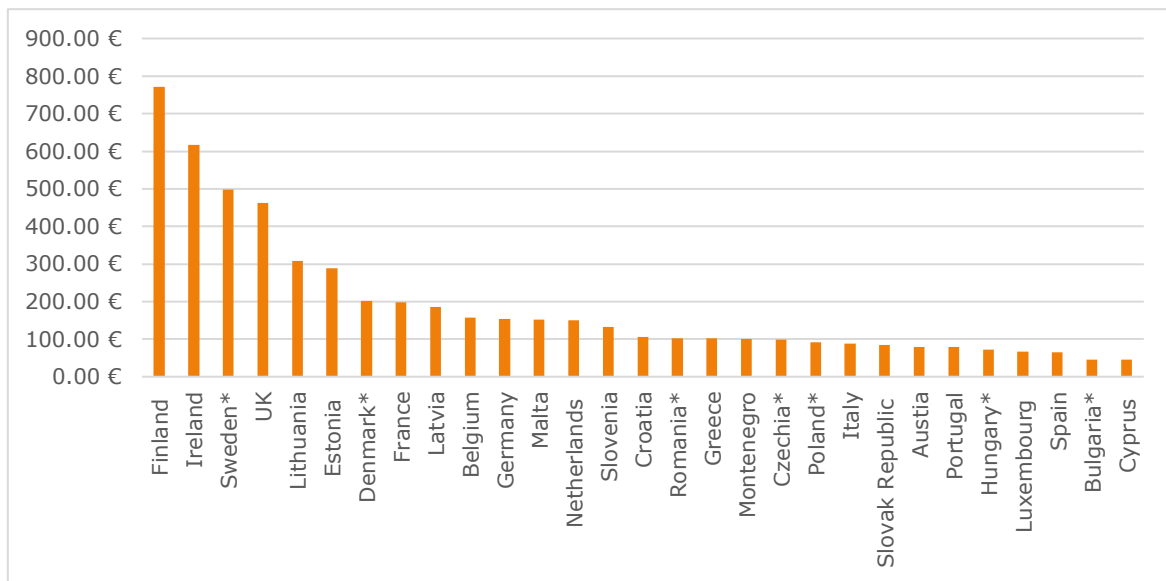


Source: (European Commission, n.d.)

Intermediate products

For intermediate products (Figure 8.3), Montenegro ranks 18th among EU countries in terms of excise tax. Finland has the highest excise tax (771 euros per hectoliter), while Cyprus has the lowest (45 euros per hectoliter).

Figure 8.3. Comparative analysis of excise taxes on intermediate alcohol products for EU countries and Montenegro (EUR per hectoliter)

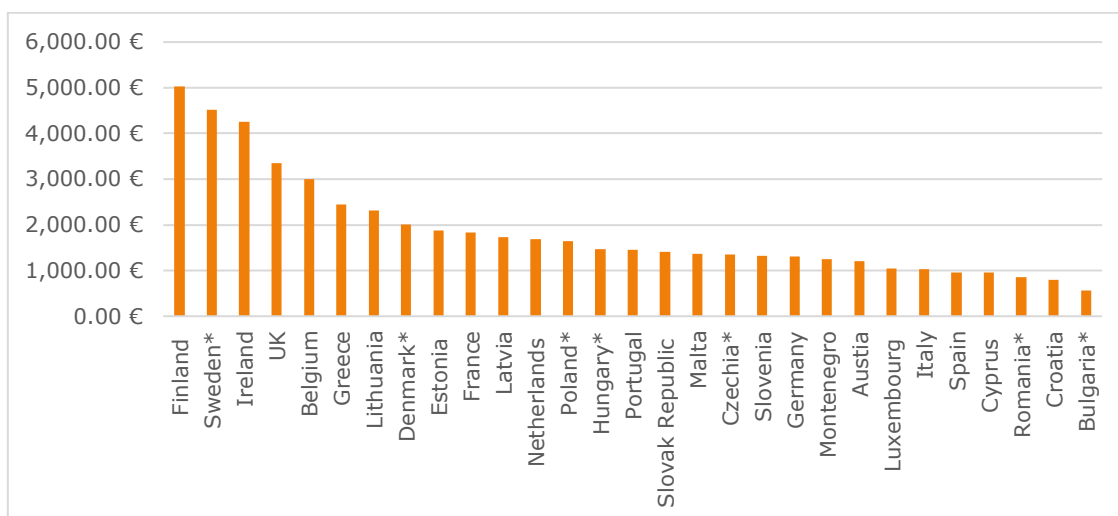


Source: (European Commission, n.d.)

Pure alcohol

In terms of comparison of pure alcohol (Figure 8.4), Montenegro is in 21st place. Excise duties range from 5,035 euros (Finland) to 562.95 euros (Bulgaria).

Figure 8.4. Comparative analysis of excise taxes on pure alcohol (ethyl) for EU countries and Montenegro (EUR per hectoliter)

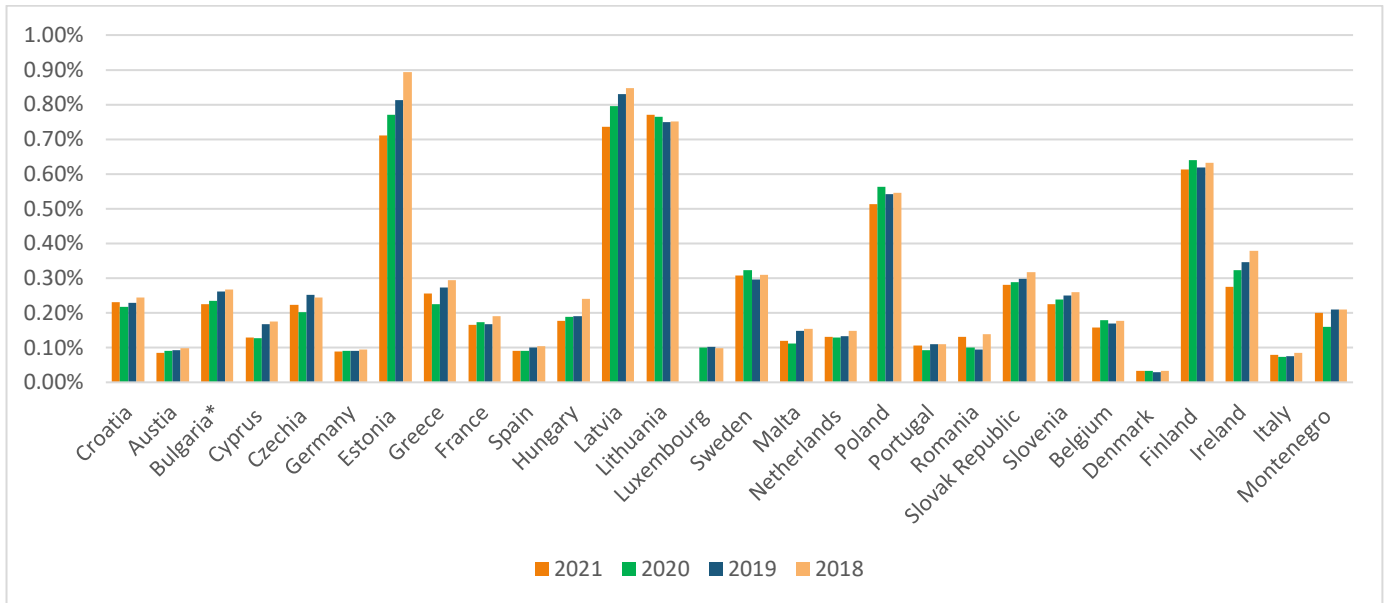


Source: (European Commission, n.d.)

8.4 Tax revenue in EU countries and Montenegro

Based on the obtained data for 2021, 2020, 2019, and 2018, it can generally be concluded that the percentage share of excise tax and VAT revenues in the gross domestic product (Figure 8.5) is less than one percent in all EU countries. For the analyzed periods, compared to EU countries, Montenegro is highly positioned when considering the share of excise and value-added tax in the gross domestic product (in 2021 Montenegro is in sixth place; in 2020 in eighth place; in 2019 in ninth place, and in 2018 in seventh place).

Figure 8.5. Tax revenues on alcohol (excise and VAT) in Montenegro and EU countries (percent of GDP)



Source: (European Commission, n.d.)

9 Discussion and Conclusion

Very high alcohol use in Montenegro demands a call for action by policy makers in implementing more effective measures of alcohol taxation and control. The results of this study show that alcohol use represents a societal problem, which has strong impact on the nation's health, poverty, productivity, and income.

According to estimates from the national survey conducted by health institutions in our country in 2017, the lifetime prevalence of alcohol use is very high, at 63.5 percent, and is higher in case of females (64.4 percent) compared to males (63.6 percent). Considering the previous 12 months, the prevalence among males and females is similar, at 50 percent on average. Considering the youth population's (age 15–24) previous 12 months' prevalence, the estimates are quite high and almost the same as in the case of adults (51.2 percent), with similar prevalence in girls and boys (51 percent on average). According to the ESPAD survey, the estimates are even higher, with 68 percent of boys using alcohol compared to the lower but still very high share of girls (57 percent) consuming these products.

WHO (2019) estimates provide information on alcohol consumption in liters of pure alcohol, with a high intake of 10.34 liters per capita (ages 15+) in Montenegro. More alarming is the fact that men drink approximately 17 liters, while women drink about 4.3 liters in the same year.

Beer is the most commonly consumed (by almost 40 percent of the adult population), followed by wine (33 percent) and spirits (24 percent). Men are more likely to choose beer as their preferred drink than women, and the opposite is true in the case of wine. The same preferences by gender are observed in the youth population as well.

In Montenegro, there are several producers of alcoholic beverages, with the two large old domestic companies producing beer and wine. *Plantaze* mainly produce still wine (with a lower share of spirits), a product that has high exports and is not taxed. The third, newly opened domestic company is focused on spirits production. Again, the consumption of alcohol is high, with higher imports compared to exports.

With the Law on Spirits Drinks, which was adopted in 2023, a lot was done to harmonize with the regulations of the European Union. Namely, the harmonization with EU standards is evident in the definition, description, and designation of geographical indications for alcoholic beverages. The key modification introduced by the new law focuses on robust support for consumer protection, addressing information asymmetry, and preventing misleading practices within the alcoholic beverage sector.

Based on the Excise Law, Montenegro applies a mixed excise tax system, which varies depending on the type of alcoholic beverage.

Alcohol tax revenue, including excise and value-added tax (VAT), showed a significant increase from 2020 to 2022, raising its share of gross domestic product (GDP) from 0.45 percent in 2020 to 0.59 percent in 2022. A similar trend is recognized in the pattern of alcohol consumption in relation to total personal consumption, where the average value is 1.75 percent.

Compared to the Western Balkan region, the taxes on some beverages (beer and sparkling wine) are significantly lower in Montenegro. By analyzing the regulatory framework of Montenegro and comparing it with EU regulations, it can be concluded that Montenegro satisfies the prescribed minimum excise taxes on alcohol. However, looking at the amounts of excise taxes in all EU countries and the region individually, it can be concluded that there is still room for increasing the excise taxes in Montenegro.

10 Challenges and Recommendations

1. Alcohol excise taxation

Compared to the countries of the European Union, Montenegro has lower excise tax rates on beer, as well as on spirits. Currently, the taxation system for beer does not account for different rates based on the percentage of alcohol content. Since Montenegro has high levels of alcohol consumption, taxes on alcohol should be increased to reduce alcohol prevalence. There is strong evidence that raising alcohol taxes is an effective strategy for reducing alcohol consumption and related harms (*Alcohol Policy Best Buys*). To maximize excise taxes' impacts on public health, tax rates can be increased and tax structures improved, particularly to ensure a higher tax burden on alcoholic beverages with higher percentages of alcohol.

In addition to excise taxes, some countries impose other taxes on alcoholic beverages. In France, there is a tax called the Social Contribution on Alcohol, which was introduced by the French government on certain alcoholic products due to the health risks associated with the use of these products (Alcohol Excise Duties in France in 2024). The main justification for imposing additional excise taxes on alcohol over and above the standard taxes lies in the role that alcohol taxation can play in reducing or eliminating excessive alcohol consumption.

When defining the amount of alcohol tax increases, the average in European countries should be taken into account. Due to the differences in consumption between European countries it is unlikely that the optimal tax treatment of alcoholic beverages would be the same in all of them. However, reducing alcohol tax differentials between EU countries and countries in the Western Balkan region would reduce the economic and fiscal costs associated with legal cross-border shopping and the various forms of illegal smuggling and tax evasion resulting from large tax differentials (Stephen, 2005).

RECOMMENDATIONS:

- *Increase tax rates on alcohol, in such a way as to ensure a higher tax burden on alcoholic beverages with a higher percentage of alcohol (spirits).*

These taxes should be increased enough to prevent shifting to cheaper alcohol products. Thus, overall alcohol consumption and alcohol-related harms will be reduced while increasing government revenues.

- Impose higher excise tax on alcoholic beverages that are more price inelastic. Additionally, Government should consider implementing a tiered system with different rates based on the percentage of alcohol content, specifically in the case of beer.*
- Specific excise taxes should be adjusted for inflation and income changes.*
- Excise rates harmonization across the region is needed to reduce distortions such as illegal cross-border trade. When adjusting taxes between Montenegro and neighboring countries, current rates in the European Union should be taken into account.*
- Government should foster the creation of a regional partners' alcohol policy network in order to share experiences, plan activities, and provide support for action related to alcohol use at the national and regional level.*
- Government should try to estimate the size of unrecorded alcohol production to have an understanding of a tax increase's effect on the total market.*

2. High alcohol consumption prevalence and alcohol excise tax impacts on equity

According to the research on the prevalence of alcohol consumption among young people (ESPAD 2008, ESPAD 2011, ESPAD 2015, ESPAD 2019) and on the entire population (2017), it can be concluded that there is a high prevalence of alcohol use in Montenegro. Based on available data, there is no significant difference between men and women, nor boys and girls, in terms of alcohol prevalence. Also, in certain segments of the analysis of the entire population, a greater participation of women in alcohol consumption is observed. The goal of public policy regarding alcohol should be to reduce overall alcohol consumption and its harms and to introduce stricter control of advertising and promotion of alcoholic beverages. However, the policy must take into account the way alcohol is consumed, because it affects men and women's consumption differently. The difference between the genders came to the fore when gender roles changed, which contributed to an

increase in alcohol consumption among women (WHO, 2021). In order to reduce the use of alcohol among women, prevention programs in which women will participate should be developed. Additionally, the government should strengthen the capacity of health promoters and service providers to identify alcohol use and other related problems, such as domestic violence, and develop policies and services for women affected by these issues.

Apart from enforcing controls and implementing laws efficiently, increasing taxation on alcoholic beverages reduces the accessibility of these products, which is specifically important for people with low income (a higher prevalence and use of spirits was found among poorer households compared to the wealthier ones) as well as youth and females.

RECOMMENDATIONS:

- *There is a need for continued monitoring of alcohol use in Montenegro. As the last survey that refers to the entire population was done six years ago, there is a need to conduct a new survey and collect data in order to measure the current alcohol prevalence in Montenegro. This is seen as an opportunity for policy makers to implement more efficient alcohol policies and programs based on updated alcohol use data.*
- *It is necessary to determine preventive (key) gender and youth-specific messages to reduce alcohol consumption.*
- *In this context, research estimating the price elasticity of alcoholic beverage use by income groups should be estimated, providing an assessment of different income groups' prevalence and consumption sensitivity to price and tax changes.*

3. Lack of intersectoral cooperation

Based on the analysis of the current situation in Montenegro, it seems that there are insufficient initiatives for intersectoral cooperation. Namely, the cooperation between the Ministry of Health and the Ministry of Agriculture, Forestry and Water Management on the one hand and the Ministry of Finance and Revenue and Customs Administration on the other hand should be strengthened in order to adopt an adequate excise policy. Considering that alcoholism is a complex

problem, it is necessary to include numerous actors in its solution, starting from the police administration, to HORECA and the retail sector, and to health workers (Institute of Public Health). Each entity in its domain can contribute to the prevention of the harmful use of alcohol. Political changes also lead to personnel changes, which can be a challenge in implementing a stable policy in the long term.

RECOMMENDATION

- *Government should appoint key personnel or focal points for certain alcohol policies in the long-term period in all government institutions involved in the creation of effective alcohol control policy. In that manner, continuity in taxation policy changes' adoption and progress could be ensured. Appointed focal points should be the initiators of regular meetings for representatives of relevant government institutions to facilitate the adoption of harmonized legal solutions in the fields of alcohol taxation and broader alcohol use control policies.*

4. Alcohol use is considered as a socially acceptable behavior

The main problem of alcohol use in our country is that it is recognized as a socially acceptable behavior. An additional problem is seen in the fact that young people perceive alcohol as a kind of social imperative and an indispensable factor for good entertainment. Moreover, alcohol use is deeply rooted in tradition, with myths around its consumption (that is, moderate use of alcohol positively impacting health). Montenegro lacks media campaigns on alcohol use's adverse effects that could be associated with changes in knowledge and beliefs about alcohol.

RECOMMENDATIONS:

- *Policy makers should act fast and work on better campaigns communicating the harmfulness of alcohol use. Changing beliefs and attitudes should provide a good base for easier implementation of excise tax increases. Additionally, resources from taxes should be used for the prevention and treatment of alcohol-related diseases and disorders.*
- *Design and use mass media campaigns to change the perception of alcohol use as a socially acceptable behavior, targeting the entire population. When*

considering children, education about the harmful effects of alcohol use in schools should be intensified. In addition, through these activities, it is necessary to increase parents' awareness about this problem, in order to prevent initiation of alcohol use.

5. Industry devotes many efforts to hinder effective alcohol tax policy

The alcohol industry, including producers, importers, wholesalers, retailers, and trade associations, might have a major role in stalling effective policy development and implementation using tactics similar to those used by the tobacco and food industries. These activities include generally lobbying with the aim to portray the increases in excise taxes as very costly and unnecessary. Moreover, producers often claim a decrease in profitability, which can indirectly affect the employment market.

RECOMMENDATION

- *There is a need to implement measures to protect taxation and public health policies from the commercial and other vested interests of the alcohol industry, including through a Code of Conduct for all government officials. Additionally, the government should consider introducing subsidies for socially responsible companies that implement activities aimed at reducing alcohol prevalence (for example, it could be a reduction in income tax for such companies).*

6. Unregulated or insufficiently controlled promotion of alcoholic beverages and high availability of alcohol

Although the scope of alcohol advertising is defined by regulation (Law on Electronic Media), it seems that there is still a lack of control in this domain. Alcohol is advertised and promoted through increasingly sophisticated marketing techniques, including the association of alcohol brands with sports and cultural activities, sponsorship, and product placement, as well as social networks.

RECOMMENDATIONS:

- *It is necessary to monitor marketing in the area of alcohol, and the best way to do so is through an independent body or agency, as part of a systematic and routine practice. There is an opportunity to establish prevention systems for inappropriate and irresponsible alcohol marketing, aimed at children and young people. In this regard, support is needed for relevant institutions to strengthen their capacities to control the above.*
- *Declare a national day to reduce alcohol-related problems. Such a focus day could be an important instrument in increasing knowledge about the scope and magnitude of alcohol-related problems.*
- *Regulate the locations and operating hours of alcohol retailers. By strategically placing them and limiting their hours, we can mitigate negative consequences of alcohol use.*

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Appendix

Table A.1. Action plans from National Strategy for the Prevention of Harmful Alcohol Use and Alcohol-Induced Disorders of Montenegro for the period from 2013 to 2020

	Activity	Activity holder
Area 7. Defining implementation of effective policies in the area of the price of alcohol drinks	Establishment and implementation of a specific system of national taxation of alcohol followed by effective implementation of the Law that would in appropriate circumstances take into account the content of alcohol in alcoholic beverages – lower taxes on beverages with lower alcohol content and vice versa	Ministry of Finance
	Determination of special taxes on products that are especially attractive to young people (breezers, alcopops, etc.)	Ministry of Finance
	Determining the minimum price per liter of alcohol	Ministry of Finance

Table A.2. Action plan from Program for the Prevention of Harmful Use of Alcohol and Alcohol-Induced Disorders in Montenegro for the period 2022–2024

ACTION PLAN 2022-2023			
	Activity	Time	Activity holder
Operational objective 3.2: Improved regulation in the area of harmful effects of alcohol	Amendment of the Law on excise taxes in part of the increase excise tax on alcohol	First quarter of 2022. year - completion of the second quarter of 2022	Ministry of Finance

Table A.3. Excise taxes on alcohol in 2023, by country

Country	Type of alcohol	EUR/unit of measure (HL or L)
Serbia	Spirits	423.07/HL
	Low-alcohol drinks	0.21/L
	Beer	0.24/L
Bosnia and Herzegovina	Non-alcoholic beverages	0.051/L
	Beer	0.13/L
	Wine	0.13/L
	Alcohol	7.68/L
	Alcoholic beverages (those containing more than 2% alcohol)	7.68/L
	Fruit natural brandy	4.10/L
Albania	Beer	6.93/HL
	Spirits	824.28/HL
	Still wine (<= 10,000 hectoliter/year)	28.93/HL
	Still wine (>10,000 hectoliter/year)	97.59/HL
	Sparkling wine	50.75/HL
	Pure alcohol	320/HL
Macedonia	Beer	0.065/L
	Still wine	0/L
	Sparkling wine	0/L
	Intermediate products with < 15% alcohol content	0.54/L
	Intermediate products with > 15% alcohol content	0.89/L
	Ethyl alcohol and liquors	5.52/L
Kosovo	For all types	300/HL