

# UNTC 31st Session

## Stakeholder Input Template



Help inform the Committee's deliberations on their work programme for 2025-2029 by sharing your perspectives on challenges in tax policy and administration facing developing countries, emerging issues that need attention, and where there is a need for more or different guidance. Submissions should be made in one of the six (6) UN languages. All valid submissions will be published on the UN Tax Committee website in the language submitted.

**Submission details:** Deadline: **8 (was 1) September 2025**, Email to: [taxcommittee@un.org](mailto:taxcommittee@un.org)

Subject: Input for UN Tax Committee Work Programme (2025-2029)

### INFORMATION

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Type: Business Sector

Organization (unless submission is in personal capacity): World Brewing Alliance

### BACKGROUND (Maximum of 200 words) – Please respond on page 2.

Please provide a brief summary of your organization's mandate and areas of work unless this submission is in personal capacity, how they relate to international tax cooperation, domestic resource mobilization, sustainable development, or any other field. This will help us map and better contextualize your perspective and input.

### WORK PROGRAMME PRIORITIES (Maximum of 2000 words inclusive of any footnotes) – Please respond on page 3.

What should be the Committee's priority issues for 2025-2029? Consider, in light of the Committee's mandate, both the provisional agenda topics and any additional areas you believe are important.

For each priority you recommend, please explain:

- a) Why is this issue important for developing countries?
- b) What specific guidance or tools should the Committee produce?
- c) How would this output be practical and valuable for countries?

**SUPPORTING REFERENCES** Please list any hyperlinks to relevant reports, studies, or other materials that support your recommendations. Do not attach files. – Please respond on page 4.

## **BACKGROUND**

The World Brewing Alliance is the international business association for the beer industry.

WBA members make a considerable contribution to international tax revenues. A 2025 report from Oxford Economics<sup>i</sup> revealed that in 2023, the global brewing industry contributed \$375 billion to international tax revenues, equivalent to 1.3% of global government revenue, and had a GDP impact of \$878 billion, equivalent to 0.8% of Global GDP.

We are supportive of evidence-based policies that nudge consumers towards lower-alcohol beverages, while supporting economic growth and community well-being.

Our organization is also supportive of initiatives that improve alcohol excise systems. We believe that excise is better managed with an evidence-based understanding of the product characteristics, production methods; and routes to market; which differ between products already within the legal market and also differ between licit and illicit products within a country.

## WORK PROGRAMME PRIORITIES

During the 30<sup>th</sup> Session of the UN Tax Committee in March 2025, the Sub-Committee on Health Taxes made three suggestions for future work around Health Taxes. (Report of the 30<sup>th</sup> Session paragraphs 87-88)

- Practical guidance on implementing the recommendations presented in the Health Taxes Handbook.
- Development of an audit manual for health taxes.
- Development of training materials for use in capacity building activities to disseminate the guidance in the handbook.

The WBA agrees that further guidance will help developing economies to align their alcohol excise systems with the international best practice recommendations outlined in the Handbook. We believe that developing countries will particularly benefit from further information on tax structure calibration and on shifting consumption from illicit alcohol to taxed alcohol.

While our primary focus is on alcohol taxes, the following observations can also be relevant to other products subject to health taxes.

### a) Why is this issue important for developing countries?

Alcohol excise taxes are widely recognized as a valuable revenue source for developing countries. By providing additional guidance on implementing the Handbook's recommendations, the Tax Committee can empower countries to design and administer excise taxes that achieve greater revenue generation. As indicated by the sub-committee, this guidance needs to address both tax design and tax administration.

#### Tax design guidance

As clearly explained in the Handbook:

"Taxing alcohol on the basis of the beverage's ethanol content ties the tax most directly to most forms of harm from drinking and is thus primarily recommended from the perspective of public health and welfare" Ch 12, p.265

"Since the externality and internality are directly linked to the content of alcohol a strong economic case can be made to use the pure alcohol content as the tax base thereby taxing stronger alcohol products more than weaker alcohol products." Ch 5 p.92.

"In terms of harms a public health argument can be made for a higher tax per unit of ethanol on stronger alcoholic beverages" Ch 12, p.265

"Some countries apply differentiated or tiered ad valorem or specific rates according to product characteristics. Tiers based on the alcohol content is an

alternative to a single dose-based system. Stronger alcohols particularly spirits may be taxed at higher rates per unit of alcohol than weaker ones such as wine or beer.” Ch 5 p.90.

The World Bank has also noted that “specific taxes and mixed tax systems generally result in higher tax revenues than ad valorem taxes alone”, and “specific taxes will result in more stable and predictable tax revenues than ad valorem taxes” (World Bank p.5) <sup>ii</sup>.

However as highlighted by the WHO in the 2023 Global report on the use of alcohol taxes <sup>iii</sup>

- “the population-weighted average excise tax level per standard drink is higher for beer than for spirits ... in lower-middle income and low-income countries” and “this is not in line with health objectives, where alcoholic beverages with higher concentrations of the harmful component – ethanol – are expected to be taxed at higher rates”; (p.28) and
- many low-middle income and low-income countries continue to use ad valorem excises taxes. (Table 1, p.8).

This suggests that many developing economies require further support and guidance on how to assess and reform their existing alcohol tax regimes.

#### Tax administration guidance

Reform of excise tax design should be coupled with administrative improvements that help switch consumption away from illicit alcohol and toward regulated, taxed products. This requires targeted restriction of the illicit alcohol value chain and route to market, that are typically distinct from the value chain and route to market of regulated products.

An estimated 25% of worldwide alcohol consumption is unrecorded, meaning that it is both untaxed and unregulated. In many low and lower middle income countries unrecorded consumption exceeds 40% of total alcohol intake. <sup>iv</sup>

#### b) What specific guidance or tools should the Committee produce?

Further guidance should be developed to advance the principles outlined in the Health Taxes handbook. This should include standard measures for evaluating design and administration of excise taxes, encompassing:

#### Tax design guidance

- **Excise tax comparison tool:** Provide a simple calculation guide to help countries translate their own excise rate system into standard indicators of excise on pure alcohol terms, making it possible to evaluate the extent of tiered taxation under any system of

tax rates, whether specific, ad valorem or mixed. The WHO comparison of excise per 10g of ethanol is one example.

- **Excise tax benchmarking analysis:** Accompany the calculation guide with a worked analysis of the existing extent of differentiation, using the dataset collected in the 2023 WHO Global Report on the Use of Alcohol Taxes.

#### Tax administration guidance

- **Toolkit to tackle illicit alcohol:** provide guidance on what targeted controls can constrict particular activities in the value chain of illicit alcohol production and distribution, which currently take place beyond existing regulatory supervision.

#### c) **How would this output be practical and valuable for countries?**

Utilizing these tools and standards will help developing economies tackle structural challenges in raising health taxes while bolstering broader revenue collection capacities. The development of toolkits and protocols will equip tax officials with practical skills and ideas that can be applied across multiple tax domains, contributing to a stronger revenue authority overall.

#### Tax design guidance

Clearer, worked examples of comparing excise rates help countries assess the extent to which their systems meet international recommendations and therefore make better, more confident decisions about what tax reform is needed to achieve the societal outcomes they seek. Using the tools would provide robust comparative evidence to inform national legislative and fiscal policy and strengthen international cooperation in pursuit of sustainable public health outcomes.

Facilitating the adoption of the excise tax recommendations from the Handbook will further support efforts to reduce harmful levels of consumption.

The development of comparison tools and benchmarking analysis also supports Action Area 5, "Knowledge production and information systems," within the WHO GAAP 2022 framework. This action area calls on major UN System partners to "support knowledge generation and monitoring activities on alcohol and health at all levels" including "the impact of differentiated policies according to the alcohol content of alcoholic beverages and on harmonization of indicators and data collection tools and to support national monitoring capacities." (GAAP p. 26)<sup>v</sup>

By using these robust analytical tools, countries can strengthen their policy capabilities and contribute to a harmonized global response on alcohol policy.

#### Tax administration guidance

For economies with large shares of illicit alcohol, closing the gap in tax collection requires extending the reach of regulation to unregulated activities. Explaining how to pursue unregulated businesses provides a wider range of regulatory options than solely focusing on intensifying regulations on the regulated sector.

**SUPPORTING REFERENCES** Please list any hyperlinks to relevant reports, studies, or other materials that support your recommendations. Do not attach files.

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- i [Oxford Economics: Global Footprint of the Beer Sector 2023](#)
  - ii [World Bank Document: Health Taxes Knowledge Note 4](#) (Unpacking the Empirics of Health Taxes)
  - iii [WHO Global Report on the use of Alcohol Taxes 2023](#)
  - iv [WHO 2021, Unrecorded alcohol: what the evidence tells us](#)
  - v [Global alcohol action plan 2022–2030](#)