

Socioeconomic effect of alcohol production and use in India

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Background

Harmful use of alcohol is a risk factor for over 200 diseases and injuries,

- It also inflicts significant socioeconomic impacts on individuals, households and society,
- Consumption of alcohol in India is estimated at 4.3L per capita per year¹; about 50% from unrecorded alcohol,

Objectives

Determine the costs associated with alcohol use in India through desk review and focus-group discussions with key stakeholders in 2016

Methods

- Four key dimensions studied:
 - Healthcare, productivity loss, crime and law enforcement, road traffic injuries²; and opportunity cost due to expenditure on alcohol
- Desk review, in-depth discussions with secondary stakeholders
- Costs calculated at national level and three state (Karnataka, Punjab and Delhi)

Results

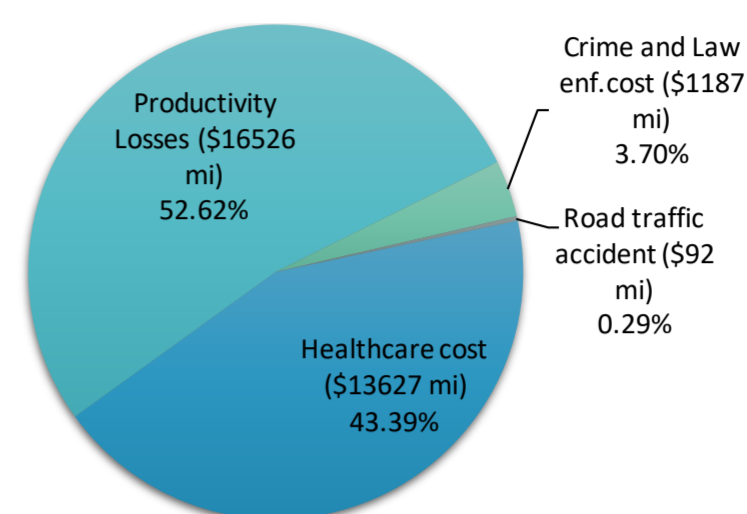
For every **US\$1** that is **gained** from alcohol, **US\$2.35** is **lost**

The intangible impacts on the like emotional distress in households not captured in this study

Conclusions

There is inadequate data on the socio-economic costs associated with alcohol in India. Available data suggest a net economic loss due to alcohol, as opposed to industry's claims of revenue and employment generation.

Key Findings



Estimated cost of alcohol use (2013-14)

Average Annual Health Care Costs from alcohol			
Costs of Alcohol Use	Annual Cost (US\$ Million)	% of total costs	% of National GDP
Health Care Costs			
Deaddiction/rehabilitation	78	0.25	0.01
Treatment of alcohol attributable diseases	13,549	43.11	0.97
Total	13,627	43.36	0.98

Average Annual Other Costs from alcohol			
Costs of Alcohol Use	Annual Cost (US\$ Million)	% of total costs	% of National GDP
Productivity Losses	16,526	52.58	1.19
Crime and Law enforcement	1187	3.77	0.08
Road traffic crashes	92	0.29	< 0.01
Total Costs	31,342	100	2.26

Average Annual Revenue from Alcohol			
Costs of Alcohol Use	Annual Cost (US\$ Million)	% of total costs	% of National GDP
Benefits from Alcohol Industry			
Excise Revenue	13493	98.24	0.97
Employment	242	1.76	0.02
Total benefits	13,375	100	0.99

References:

1. Global Status Report on Alcohol and Health 2014- India Country Profile. Geneva: World Health Organization; 2014
 2. World Health Organization. (2003). International guidelines for estimating the costs of substance abuse / Eric Single [et al.], 2nd ed. Geneva : World Health Organization
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