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Crisis of Illicit Alcohol in Southern Asia

WASHINGTON, DC, 25 NOVEMBER 2008 – The consumption of illicit or noncommercial alcohol is widespread in southern Asia and contributes significantly to a number of negative health and socioeconomic outcomes, according to a new report released today by the International Center for Alcohol Policies (ICAP).

The report, *Noncommercial Alcohol in Three Regions*, focuses on Sri Lanka, where noncommercial alcohol accounts for at least two-thirds of the total alcohol market. The report defines noncommercial alcohol as traditional beverages produced for home consumption or limited local trade, counterfeit or unregistered products, and nonbeverage – or surrogate – alcohols.

“In Sri Lanka and elsewhere in the region, the noncommercial alcohol sector is clearly significant, both in terms of its size and growth,” says Dr. Uditha Liyanage, lead author and professor at the Postgraduate Institute of Management in Colombo, Sri Lanka. “Governments in the region must look beyond the confines of the commercial alcohol market to better protect public health.”

The report examines the health and socioeconomic problems associated with *kasippu*, one of Sri Lanka’s popular illegal traditional beverages. The case of *kasippu* and the regulatory developments in Sri Lanka may serve as an example of issues faced by other countries in southern Asia, whether they are dealing with legal or illegal noncommercial products.

According to a 2002 study cited in the report, 60% of male suicides in Sri Lanka are linked to alcohol dependence, much of which involves *kasippu*. With the highest percent of daily current alcohol consumption among people at the lowest education and income levels, drinking *kasippu* and problem drinking are detrimental to income earning capacity and often perpetuate poverty in many poor families.

Highlights from the report include:

- Sri Lankans consume 230 million liters of illicit alcohol annually (consisting of beverages that range from 30 to 60% of alcohol by volume), compared to 120 million liters for legal beer and spirits (consisting of beverages that range from 5 to 30% of alcohol by volume)
- Illicit alcohol consumption in Sri Lanka is estimated to account for 77% of the total alcohol market
- Legal beverages in Sri Lanka are five to eight times more expensive than *kasippu*
- Increasing prices for legal alcohol makes the more price-sensitive consumers veer toward illicit alcohol

The report concludes that the process of developing and formulating alcohol policies in Sri Lanka and other countries in southern Asia should not ignore the existence of the largely illicit alcohol market.

“Urgent steps must be taken to not only include strategies on countering the informal alcohol market,” says Dr. Liyanage, “but also to closely study the interplay between the legal and illicit markets, especially among the low-income segments of society, the primary consumers of noncommercial alcohol.”

The full report may be found at ICAP’s web site:

<http://icap.org/Publication/ICAPReviews/tabid/158/Default.aspx>

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Noncommercial Alcohol in Three Regions was commissioned by the International Center for Alcohol Policies. ICAP is a not-for-profit organization whose mission is to promote the understanding of the role of alcohol in society through dialogue and partnerships involving the beverage alcohol industry, the public health community, and others interested in alcohol policy, and to help reduce the abuse of alcohol worldwide. ICAP is supported by major international producers of beverage alcohol. The views expressed in this report are those of the individual authors and do not necessarily represent those of ICAP or of its sponsoring companies.