Alcohol can be a source of enjoyment and is an important part of the economy in many countries. Yet harmful alcohol use is a leading risk factor for premature death, injuries and many non-communicable diseases. Harmful alcohol use can also affect others, for example in the case of violence and foetal alcohol syndrome. These diseases and injuries, in turn, have an impact on healthcare budgets and the productivity of the labour force.

Iceland consumes 9.1 litres of pure alcohol per capita per year, roughly equivalent to 1.9 bottles of wine or 3.5 litres of beer per week per person aged 15 and over. In addition, in Iceland, some population groups are at higher risk than others; specifically:

- **28% of adults engage in binge drinking** at least once a month. This corresponds to drinking more than 80% of a bottle of wine or 1.5 litres of beer per occasion.

- **Men consume 13.9 litres of pure alcohol per capita per year** while **women consume 4.3 litres per capita per year**.

- **7% of girls and boys aged 15 have been drunk** at least twice in their life. Children who never experienced drunkenness are 77% more likely to perform well at school.

- **Women are 3% more likely** to binge drink monthly if they have **completed higher education**.

Life expectancy is **0.6 years lower** over the next 30 years due to disease and injuries caused by drinking more than 1 drink per day for women and 1½ drinks per day for men, on average in the whole population, according to OECD simulations.

Based on current consumption patterns in Iceland, OECD simulations estimate that diseases and injuries caused by drinking above 1-1½ drinks per day lead to treatment costs equal to **2.1% of health expenditure** and a reduction in the workforce productivity. Consequently, Iceland’s GDP is estimated to be **0.7% lower** on average between now and 2050, excluding any impact on the alcohol industry. Due to a lower GDP, and to maintain a constant public debt-to-GDP ratio, Iceland has to raise additional revenues equivalent to an increase in tax of **ISK 13 006** per person per year.
OECD analysis of WHO data reflects the implementation status across policy areas within the WHO’s Global Strategy to Reduce the Harmful Use of Alcohol.

Iceland performs well in several policy areas but there are opportunities for further action. Policy priorities could include:

- Upscaling action to tackle drink-driving for example by enforcing sobriety checkpoints;
- Training servers on how to prevent, identify and manage intoxicated drinkers, and using health warning label on alcohol containers;
- Strengthening pricing policies targeting cheap alcohol to protect heavy drinkers and young people.

OECD analyses looked at enhanced policy package to tackle harmful alcohol use. The package contains many of the policy priorities for Iceland, including:

- Strengthening sobriety checkpoints to counter drink-driving
- Complete ban on alcohol advertising to children via traditional and new media, sponsorships, branding and point-of-sale displays
- Alcohol taxation
- Strengthening screening and counselling in primary care
- Strengthening regulation on alcohol advertising, sponsorships, branding and point-of-sale displays
- Minimum unit pricing targeting cheap alcohol

In Iceland, investing ISK 354 per person per year in the enhanced policy package to tackle harmful alcohol use will:

- prevent 17 thousand non-communicable diseases and injuries by 2050;
- save ISK 526 million per year in health costs;
- increase employment and productivity by the equivalent of 218 full-time workers per year.

For every ISK 1 invested in the policy package, ISK 16 are returned in benefits, not considering any impact on the alcohol industry.