

Policies and Opinions on the Restriction of Liquor Production, Distribution, and Consumption in Nepal

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How to cite this article: Yeak Narayan Sharma , Abhijit Ghosh , Sateesh Kumar Ojha (2024). Policies and Opinions on the Restriction of Liquor Production, Distribution, and Consumption in Nepal. *Library Progress International*, 44(2s), 2090-2097

ABSTRACT

A number of alcohol industries have been manufacturing alcohol under different names. Alcohol product in the nation is called Domestic Alcohol Products (DAP), and many are importing and distributing different alcoholic products from Bottled Origin (BIO) they are distributing those products in the country. This study endeavors to explore the alcohol policies framed in the country and how civil societies perceive them. Both primary and secondary data have been used. Through the survey questionnaire, opinions on the policies were sought from the civil societies. The nation's existing policies have been reviewed. The findings reveal that by making laws, the country has tried to restrict the production, distribution, and consumption of alcohol. The government seems to permit the liquor industries to open and run by framing some terms and conditions and imposing restrictions on using them to minimize harm to human health.

Keywords: Alcohol, manufacturing, distribution, alcohol restriction policy

Introduction

Many countries of the world have framed strict codes to restrict alcohol production, distribution, and consumption due to the probability of harm to the lives of the people who use alcohol. Sri Lanka and India have fixed liquor zones to watch for excessive drinking by the people and take action to mitigate it. Though recent research lapse on alcohol consumption, research conducted a decade ago showed in Nepal. Two percent of the overall population drink in dangerous ways whereas seventeen point eight (17.8%) percent have everyday habits of drinking alcohol. According to WHO estimates from 2014, alcohol use accounts for about 50 people deaths among 100,000 deaths overall in the nation. WHO further states that 3.3 million people die every year, with 200 plus injuries and diseases, the cause of which is alcohol consumption. Twenty-five percent of deaths in the age of 20-39 years take place due to uncontrolled limit of alcohol consumption. This meager requirement necessitates research on the nation's alcohol control policy.

The production and distribution of alcohol cause a number of human hazards on one side and the other side, boosting government revenue significantly. According to WHO, Alcohol consumption is linked to an increased risk of mental health and behavioral disorders like anxiety, depression, and alcohol use disorders, as well as non-communicable diseases like heart disease, liver disease, and various malignancies. WHO Report 2014 states that the deaths reached 3.3 million every year and are increasing. The government imposes different types of taxes on the production, import, and sale of alcohol and collects a significant amount of revenue. The government of Nepal collected 30.41 Billion and Rs. 31 Billion from alcohol and beer, respectively, in the year

2022 (Share Sansar, Fri, November 24, 2023, 12:48 pm). These activities signify that there is a proper way of maintaining a balance between generating revenue and stopping human hazards.

There seems to be no research in this direction in Nepal. Hence, this research is necessitated. The researcher wants to get answers to the following questions through this research.

Q1. To identify policies and practices related to establishing liquor industries

Q2. To examine how the country regulates and controls the importation of foreign brands of liquor

Q3. To assess how the country regulates and controls producing alcohol in the country

Q4. To explore how the county regulates and controls the distribution of liquor in the country and

Q5. To examine how the country controls undue consumption of alcohol

This paper aims to delineate the alcohol policy implemented in Nepal concerning its production, distribution, and consumption.

Methodology and Materials

The method adopted is the review of policies and practices of alcohol production, distribution, and consumption in the country, as well as practices of other countries' guidelines and WHO reports regarding alcohol regulations. Utilize observational instruments to examine the legal documents and policies of selected sectors regarding the licensing procedure.

A survey questionnaire was developed to see the perception of civil societies towards the country's existing policies. This researcher could not visit all 82 industries one by one. Only 10 out of them were visited. Hence, whether or not all the industries of the nations practiced the policies could not be generalized through this study.

Results and Discussion

This result section displays, with the help of a table, that the country enforced the alcohol policy through framing and enactment of the Liquor Act 1974 and Regulations.

Table 1

Matching objective of the study and national policy

Question of the study	Prevalent codes to be followed
Q.1 To know policies and practices related to establishing liquor industries <u>Establishment of Industry</u>	According to the Industrial Promotion Board a) No industry can be established within the metropolitan area b) Industries can not be established within 5 km distance from the international border. c) Industries must keep their distance at least 500 meters from schools, hospital temples, national parks, and any historical palace.
Q2. To know how the country regulates and controls the importation of foreign brands of liquor. <u>Application to be made for a license to produce, sell, distribute, export, or import liquor</u> <u>Control on the export and import of liquor</u>	Liquor Act, 1974, Section 5: Control on the export and import of liquor. The Section states that parties interested in exporting and importing must take permission and guarantee through the activities that they are violating andy items and conditions specified while taking permission. Liquor Act, 1974, Section 6- Application to be made for a license to produce, sell, distribute, export, or import liquor to the authority concerned.
Q3. To know how the country regulates and controls	Liquor Act, 1974, Section 3: Producers need a license from the concerned authority of government to produce and strictly adhere to the specimen mentioned in the permission.

producing alcohol in the country <u>Control and production of liquor</u>	
Q4. To know how the county regulates and controls the distribution of liquor in the country <u>Control of the sale and distribution of liquor</u>	Section 4 of the Liquor Regulation Act of 1974 states that parties must strictly follow to the standards specified in the permission in order to sell, distribute, or run a bar, restaurant, or retail establishment that serves alcohol in accordance with the license.
Q5. To know how the country controls undue consumption of alcohol Stopping undue consumption of alcohol	Some acts and rules have been formulated, and their enactment is in operation. These are: <ol style="list-style-type: none"> 1. Hotel Management and Sale and Distribution of Liquors (Control) Act, 2023 (1966). 2. National Broadcasting Act 1992 (2049 BS Nepali Calendar). 3. Local Administration Act, 1972 (2028 BS Nepali Calendar) 4. Vehicle and Transport Regulation Act 1992 (2049 BS Nepali Calendar) 5. Alcohol Rules, 1977 (2033 BS Nepali Calendar).
People's participation in the control of the production of alcohol.	Liquor Act, 1974, Section 15: Incentive: <p>(1) If an individual engages in unlawful activities related to the production, storage, sale, distribution, transportation, exportation, or importation of products, everybody who reports such conduct shall receive a reward of a specified amount, contingent upon the successful prosecution of the offense:</p> <p>(a) Ten percent of the amount in question goes to the informer. (b) Twenty per cent is designated for the individual who captures anyone or liquor and presents the evidence.</p> <p>(c) Thirty percent is awarded to the individual who arrests both the person and the liquor and provides the evidence.</p> <p>(2) For the purpose of granting a prize under sub-section (1), the profits from the auction will be deemed the relevant amount, encompassing both the forfeited liquor and accompanying products that have been auctioned.</p> <p>(3) In the event that the confiscated alcohol or products aren't suitable for sale, the Nepalese government reserves the right to provide a prize of any size to anybody that offers knowledge, conducts an arrest, and presents supporting documentation.</p> <p>(4) The award sum is to be distributed proportionally amongst any number of recipients that have been determined eligible for it under this section.</p>

Opinion of civilians regarding restriction strategy of alcohol products

There seems to be a debate in society on how the unnecessary use of alcohol is reduced. Basically, such debates relate to how it should be restricted. A range of possible strategies to be adopted is listed. They include controlling the manufacturing and sale of alcohol, regulating and controlling its consumption, and increasing family knowledge. Most of the respondents supported regulating the amount of alcohol produced and sold.

A significant proportion of respondents emphasized the importance for choosing family, especially for the head of the household. A sample of 384 respondents were randomly selected from civil society. Respondents were (1) medical practitioners of hospitals, (2) active members of different clubs, (3) bureaucrats, and (4) teachers and professors of various schools and universities. The representative samples from each group were 100 each.

Several experts and social service workers inquired about the measures necessary to regulate alcohol consumption. Their response is presented in Table 1.

Table 2*Restrictions strategies to reduce alcohol consumptions (n=400)*

Restrictions strategies recommended by respondents	Results
Controlling production and selling	48.80%
Regulation and prohibition of alcohol use	20.10%
Awareness in the family	19.80%
Don't know	3.50%
No responses	7.80%
Total	100.00%

Source: Field survey, 2023.

No common consensus can be derived from different people and different countries on how the overconsumption of alcohol can be restricted and save societies from ensuing effects. Table 2 displays such differences in opinions. Opinions of societies are divided into three categories: (1) There should be control of production and sales, (2) Regulation and prohibition of alcohol use, and (3) spreading awareness among senior family members. Nearly half of the samples are of the opinion that if these things are not produced and sold in the market, they will not be consumed.

The liquor and beer industry has been defined in different ways. The beverage industry produces drinks, particularly alcoholic beverages, ready-to-drink, and soft drink products (autimix.com). According to WHO's definition, the alcohol Industry includes not only manufacturers but also all enterprises that function as intermediaries, such as wholesalers, dealers, retailers, exporters, importers, etc. The Liquor Act 1974 of Nepal is silent about defining the alcohol Industry.

Location of Industry

Regarding the standard code for the area of establishing the alcohol industry, the Industrial Promotion Board, in its meeting on 2069.06.09, decided three conditions to be fulfilled while selecting the location of the sector. Such a location should not be in the municipal area and metropolitan city. Its distance should be at least 5 KM from the International border area. Such a location should be at least 500 meters away from public places like schools, hospitals, temples, national parks, and historical places.

Land Ownership Agreement

The industry must own at least three hectares of land for brewery (making beer) and distillery (making distilled liquor). In case it produces wine and ciders, in addition to beer and distilled liquor, it must own four hectares of land. If the land used belongs to the industrial estate, an agreement about using land rights must be made with industrial estate management.

Ensuring Environmental Impact

Environmental Impact Assessment (EIA) and Initial Environmental Examination (IEE) of the industry must be prepared by the industry to ensure the government that the industry will not harm people, flora, and fauna. Such an industry will not degrade water, land, air, climate, and landscape. The enterprise, if established, will not have a negative impact on cultural heritage and material assets. Further, the report must also declare that the enterprise is not harming any international effects that exist in nature due to the presence of people, animals, plants, water, soil, cultural heritage, etc. The report also must state that the industry will make provisions for prescribed green belt areas inside the premises.

Adherence of provisions related to registration, capacity addition, and infrastructure

For the registration and capacity increments, the industry should pay specific deposits, which will be returned after the industry starts its operation. In case the sector fails to start the operation, the deposit will be forfeited. Similarly, provisions are envisioned for the smooth operation of the industry by installing tanks for storage, considering the safety of the enterprise. For example, it is mentioned that the tank should be installed at the ground level for Molasses and Rectified (RS) spirits Mild Steel (MS). The minimum capacity of the tank should be fixed at one month's storage based on the plant's annual production capacity. The plant should be inside the factory to maintain the purity of water in a demineralized state. All necessities of the factory work, like washing, filling, sealing, leveling, and inspecting, must be installed at the right place. For safety, secrecy, and protection from outside, the physical infrastructure should be 18 ft high. A quality control mechanism must be developed under one trained supervisory staff.

Ensuring the industry establishment standards through a monitoring committee

The government of Nepal forms committees to see whether the industries comply with the issued industry establishment standards or not.

Foreign investment

The government of Nepal does not issue permits for foreign investment to establish industry if it produces below 40% volume concentration of alcohol. Such foreign investors can transfer up to 10% of the profit.

Control on the export and import of liquor

Liquor Act, 1974, Section 5 prohibits the export and import of alcohol in two ways. First, without obtaining a license, they can not import and export the alcoholic product. Second, such parties must adhere to all the specifications and codes mentioned in the permit. Any time such parties will be subject to be observed by the concerned authorities. In the case of non-compliance with the terms and conditions, the license can be dismissed.

Control and production of liquor

Liquor Act, 1974, Section 3 is concerned with the issue of production and control of the problems. This Section authorizes the production of liquor by the parties who have obtained permission and also makes it mandatory to follow the quantities and specifications in accordance with the issued permission. The Act describes the licensing and renewal process. It authorizes officers to raid those concerned in the case of any suspicions occurring in the production and take action permitted by the Act. Such actions may serve as penalties for individuals engaging in tax evasion, operating with invalid licenses, or participating in unlawful activities, while also providing incentives for information regarding illegal alcohol production practices from any source.

Control of the sale and distribution of liquor

Liquor Act, 1974, Section 4 relates to the specifications for distribution and sale of liquor. Alcohol products are sold through different parties, like distributors, retailers, bar operators, restaurants, and ordinary shops. These parties are required to obtain permission from the authorities as prescribed by the law. In this manner, they can go beyond the limits and specifications mentioned in the permissions granted by concerned authorities.

The government of the Federal Democratic Republic of Nepal has adopted a new policy to control alcohol sales and distribution in the following manner. The policy seems to be strategic to reduce the harmful effects of alcohol. These are (1) stopping advertisement, promoting, and sponsoring of alcohol, (2) Reducing the availability of alcohol by restricting with permission to a particular licensed shop for limited hours, and increasing the alcohol purchasing age from 18 years old to 20 years old, (3) Warning alcohol user psychologically about its harmful impact putting 75% health warning on the container, (4) banning alcohol use in government-sponsored programs and events, and (5) banning alcohol sale at public places, like schools, campuses and universities, parks, heritage sites, and games and sports complexes, and temples.

Restriction on the consumption of alcohol

The government of the Federal Democratic Republic of Nepal has enforced specific alcohol-related consumption rules in hotels. The government has to realize that the hotel industry is mainly designed for hospitality, where serving alcohol is an everyday norm. Hotel Management and Sale and Distribution of Liquors (Control) Act, 2023 (1966) is enforced by the government of Nepal. Some provisions underlaid by this Act are: (1) hotels and shops can serve alcohol from 10 am to 10 pm, (2) hotel owners' duty is confined to selling the alcohol in limited quantity and within the hotel only, (3) restricted to serve alcohol to the minor below 18 years of old and (4) the government can restricts hotels to sell alcohol anytime if it realizes reasonable.

Restriction of advertising alcohol is banned in mass media broadcasts on TV, radio, print media, and outdoors. Such advertising can be subject to a 105% charge for advertising alcohol. The Nepal government has enforced the National Broadcasting Act 1992 (2049 BS Nepali Calendar).

Restriction while driving was imposed by the enforcement of the Vehicle and Transport Regulation Act 1992 (2049 BS Nepali Calendar). Such a violation was subjected to a penalty of Rs—1000 to a drunken driver. The civic societies made broad public criticism against this Rs. 1,000 penalty, stating that it is too ordinary and should be increased.

Behaving in an unsociable manner using alcohol became a subject of restriction and control by the Chief District Officer under the enforcement of the Local Administration Act, 1972 (2028 BS Nepali Calendar), article 9. The Chief District Officer was given the right to impose Rs 1,000 against such unsociable behavior to control unrest and possible violence in society.

Restriction of selling alcohol in the surrounding public institutions (within 200 yards), like educational institutions and temples, was imposed under Alcohol Rules, 1977 (2033 BS Nepali Calendar). With the exception of this, if there are religious demands for alcohol, such matters are put under the jurisdiction of CDO for permission.

Restriction of plastic containers, "Pouches," was imposed under the Alcohol (First Amendment) Act, 1999 (2056 BS Nepali Calendar), as a result of the massive amount of pouches produced, distributed, and sold.

Restriction through the declaration of the dry zone, imposed under the Alcohol Rule 1976 (2033 BS), could not be sustained due to the pressure of business people and politicians. As a pilot project, this effort was made in the Doti District by declaring it a dry zone of Nepal in 1977. A lack of political commitment became the primary reason for failing to enforce the law. Society experienced bitter experiences, and the primary reason for this was the misuse of the fees collected from those who violated the dry zone norms.

Restrictions on alcohol use in some tribes and cultures can be seen in our society. Self-awareness, types of education, and health conditions also are some factors that restrict the consumption of alcohol.

Policies of different countries to control alcohol production and consumption

Drinking is illegal in public places in Algeria (The Guardian 2022) and Egypt (Entriva. (n.d.)), but it is legal in restaurants, bars, hotels, and homes.

In the case of Bangladesh, during Ramadan, it is illegal (The Economist, 2022). In Indonesia, it is banned in Muslim Areas and Aceh province (Taipei Times, 2016; Horn, E. 2023 and; Safari Wisata International. (n.d.)).

In India, it has been banned in 4 provinces. (India TV News. 2019), The Indian Express. 2016; The Wire. 2022 & BBC News, 2016.

In Morocco, the purchase along with use of alcohol is restricted to authorized hotels, bars, and tourist areas. In addition, it's not available for sale in most major supermarkets (Tangier Taxi, 2022).

In Pakistan, the legal framework permits Non-Muslims and foreigners to purchase alcohol at hotels and wine stores, while it remains illegal for Muslims. Additionally, public consumption of alcohol is prohibited (BBC News, 2013).

In Qatar, tourists are permitted to stay at hotels and bars, as are expatriates holding the necessary permits (AS.com, 2022).

In Norway, its availability is restricted to certain stores during designated weekdays. Public consumption of alcohol is prohibited, with the exception of designated areas such as bars and restaurants. Establishments such as nightclubs and bars are prohibited from serving patrons beyond the hour of 3 am. Alcohol with a strength exceeding 4.7% is exclusively available in specific outlets (Vinmonopolet), whereas beer or cider with an alcohol content of 4.7% or lower can be purchased in grocery stores (Lovdata, 1989).

One common thing in most countries, including Nepal, is that they show liberalness, especially in Muslim countries, to foreigners and tourists rather than their nationals. Another common thing regarding the restriction of alcohol production, distribution, and consumption is that every country, in a greater or lesser amount, restricts it.

In no country alcohol production, distribution, and consumption is found to be made entirely free. However, the level of freedom in its output, distribution, and consumption varies from country to country. WHO Spirit seems to have strict control over alcohol production, distribution, and consumption.

Nepal, too, seems to follow the guidelines and instructions of the WTO because it has enacted many laws to control the alcohol industry, production, import, distribution, and consumption. Such acts are the Hotel Management and Sale and Distribution of Liquors Control Act, 2023; National Broadcasting Act, 1992; Local Administration Act, 1972; Vehicle and Transport Regulation Act, 1992; and Alcohol Rules, 1977.

Conclusion and Suggestions

The alcohol industry is sensitive and highly risky—the main risk from alcohol is people's health and social disharmony. Though many hazardous results are ensured due to the consumption of alcohol, the number of people

using it is not negligible. Strict adherence to alcohol restriction policies is desirable to save a large number of from the possibility of harmful effects.

Further Research Issues

Further research is needed to understand culturally rooted alcohol consumption habits and their harmful impacts and measures to be taken by the country. Research is also immediately required to investigate the factors that elucidate the youngsters of school age to alcohol consumption habits and methods to mitigate them:

- Further investigation is required to comprehend the socio-cultural attributes of alcohol in communities where it is integrated into daily life.
- Examine children and young people across various geographical, economic, cultural, and social contexts to comprehensively assess the impact of alcohol on them at both national and global levels.
- Further investigation is warranted regarding the environmental effects of industrial activities in proximity to residential zones.

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