Merging alcohol giants threaten global health

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EDITORIALS

Merging alcohol giants threaten global health

Alcohol has comparable health risks to tobacco but none of its pariah status

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The world's two largest beer manufacturers, Anheuser-Busch InBev (AB InBev) and SABMiller, have agreed in principle to merge. AB InBev, the Belgium based producer of global brands such as Budweiser, Corona, and Stella Artois will acquire London based SABMiller, brewer of Peroni, Miller, and Grolsch. At £70bn (€100bn; $106bn) this would be the third largest deal in corporate history, establishing a dominant position in the global beer market.[1] Its completion depends on navigating the regulatory demands of competition policy in multiple jurisdictions. Yet the real importance of the deal is what it symbolises for the future of the global alcohol industry. Here we focus on its implications for the growing epidemic of alcohol related harm across low and middle income countries.

The health interest of this business story lies partly in the sheer scale of the merger. The new company will produce an estimated one third of all beer sold worldwide and will be market leader in 24 of the world's 30 largest beer markets.[2] Importantly for global health, the merger is driven by prospects for expansion in developing countries. In promoting the deal to investors, AB InBev highlighted the complementary geographical strengths of the two businesses in "key emerging regions with strong growth prospects, including Africa, Asia and Central and South America," with a particular emphasis on Africa as "a critical driver of growth for the combined company."[3] This ambition mirrors industry analysts' identification of Africa as the "final frontier for beer,"[4] projected to be the world's fastest growing region for alcoholic drinks over 2013-18.

SABMiller, which originated in South Africa, is the established industry leader in the region and so is well placed to exploit growth across sub-Saharan Africa. The health implications of this forecast are disturbing: market growth on this scale is predicated on "exploiting Africa's low per capita consumption of beer," targeting low income consumers to drive increased sales.[4]

This expansive trajectory echoes that of transnational tobacco companies, with which the alcohol industry shares strategic similarities and has close corporate links as well as comparable health effects.[5 6] SABMiller is 27% owned by the cigarette giant Altria (responsible for large brands, including Marlboro), which supplies three directors to the SABMiller board, and its new chair is a former chair of British American Tobacco.[7] Thus far, however, global health and development agencies have engaged with these two industries on starkly contrasting terms.

Tobacco companies are regulated as transnational vectors of disease on the basis of a fundamental conflict of interest with public health; voluntary approaches have been rejected as inadequate and inappropriate, and there are coordinated regulatory strategies centred on the WHO Framework Convention on Tobacco Control.[6] Conversely, SABMiller, for example, participated in the UN high level meeting on non-communicable diseases that produced a declaration emphasising scope for voluntary measures and partnerships with producers in reducing alcohol related harm.[8] SABMiller was also represented at a consultation on the process of reforming WHO's engagement with non-state actors,[9] and company led initiatives have even received development funding from the UK's Department for International Development and the Global Fund.[8 10] SABMiller's deeply embedded position in health and development networks is epitomised by the recent addition to its board of directors of Trevor Manuel, longstanding finance minister in South Africa and former chair of the World Bank's development committee and the board of governors of the International Monetary Fund.[7]

The proposed merger with AB InBev represents a major threat to global health, to which researchers, funders, and regulators must respond more effectively. The new sustainable development goals provide opportunities here, through the focus (in goal 3) on reducing mortality from non-communicable diseases, including through strengthened prevention and treatment of harmful alcohol use. Importantly, the goal also includes a commitment to strengthen "the capacity of all countries, in particular developing countries, for early warning, risk reduction, and management of national and global health risks."[11]

The global alcohol industry comprises such a risk and should be regulated accordingly. Although regulation underpins efforts to control transnational tobacco companies, the global alcohol industry continues to occupy an ambiguous space in which an indirect acknowledgment of serious health effects coexists with the prospect of partnerships and shared objectives. WHO's emerging framework for engagement with non-state actors, for

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example, precludes partnership with the tobacco and arms industries but makes no specific reference to alcohol.[12]

Public health must therefore do more to ensure that conflict of interest with alcohol companies is recognised and addressed. Acknowledging such conflicts in the terms for WHO's interactions with non-state actors, and protecting against them on the same basis as for tobacco, would be an appropriate starting point.

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