

'Fake Alcohol' Sales Surge as Russia Closes Liquor Stores

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Maxim Stulov / Vedomosti

Illegal alcohol**¤**sales in Russia are on the rise with a surge in counterfeit excise stamps, a new report by the Russian government revealed Friday.

Illegal alcohol sales increased by six percent in the first six months of 2016 compared to last year, according to a document from Russia's Federal Alcohol Regulation Service.

Meanwhile, the use of fake excise stamps – which show that a company has paid the tax on the alcohol – has tripled, Russian tabloid Life News <u>reported</u>. Some 1,091 cases involving counterfeit excise stamps were uncovered in 2011, with that number jumping to 3,311 in 2015.

Officials have linked the increase to the government's ban on legal alcohol kiosks across the country. In 2012, some 305,000 stores sold alcohol in Russia. Today, there are only

230,000. According to experts, around 30 percent of all stores selling alcohol are now operating without a license.

The Kremlin's decision to close the stores was based on figure from abroad, alcohol market analyst Vadim Drobiz told Life. He believes that authorities made a serious mistake by⊠decreasing the liquor store numbers to try and match other northern nations such as Finland and Sweden.

"They decided to take that path, but they didn't consider that, in Finland, there are 10,000 bars and, in Sweden, there are 12,000," Drobiz told Life. "In those countries, 35 percent of the population consumes alcohol in bars. In Russia, only 3 percent of the population does."

Government⊠experts are now planning a crackdown on producing and selling socalled⊠"counterfeit alcohol," as well as online alcohol sales.

Drobiz says the key is solving the systemic problems.

"As long as legal alcohol is unaffordable to many consumers and the number of legal liquor stores continues to decrease, this problem isn't going anywhere," he said.

Read more on <u>Russia's booming but illegal "pharmacy alcohol" industry</u>.

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