

UK duty up yet again

22 Apr 2009 by Jancis Robinson

The UK Wine and Spirit Trade Association probably had this press release ready weeks ago in anticipation of yet another rise in duties on alcohol in our beleaguered country.

'The WSTA condemns today's announcement by the Chancellor that he intends to proceed with plans to raise taxes on alcohol this year. The news brings further misery to hard-pressed consumers and threatens more job losses in a sector already facing record numbers of business failures, pub closures and worsening trading conditions.

'Today's Budget set in train a 2% above inflation tax escalator on alcohol which, combined with last year's 17% leap in excise duty, will raise duty on alcohol by around 40% by the time of the London Olympics.

'In its first ever [surely shome mishtake ? JR] joint budget submission the major drinks industry trade associations warned a total of 75,000 jobs would be at risk if the plans to increase taxes further went ahead.

'The impact of today's announcement will be more severe than anticipated because the Treasury based its calculations on a notional zero inflation rate rather than the current forecast for inflation of minus 2.25%.

'The WSTA will continue to seek an end to the four year tax escalator.

'WSTA Chief Executive Jeremy Beadles said: "At a time when the Government is offering other industries a helping hand it is extraordinary that it wishes to hurt the drinks industry with further tax increases.

"Thousands of jobs have already been lost in the industry and the decision to go ahead with a further tax increase puts thousands more at risk. It's a bitter irony that with falling sales, these tax hikes are unlikely to deliver the revenues forecast by the Treasury."