

# CAMRA

## Beer Tax Briefing



### Summary

As an independent consumer organisation with over 160,000 members CAMRA is calling for:

- 1 A freeze, or further reduction, in beer duty to build on the positive impact of last year's 2% duty reduction
- 2 The retention of the 50% duty relief for Britain's smallest brewers.

### Impact of the 2013 beer duty cut

The beer duty escalator (introduced in 2008) saw beer duty increase by a punishing 42% in four years – causing extensive harm to the health of the beer and pub sector.

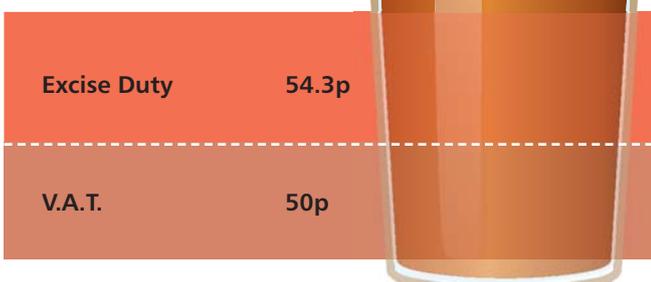
In the 2013 Budget the Government scrapped the damaging beer duty escalator and introduced the first beer duty cut for 50 years. This has provided a substantial boost to the beer and pub sector that needs to be built upon with a further beer duty freeze.

A beer duty freeze in 2014 would secure 2,400 jobs this year alone.

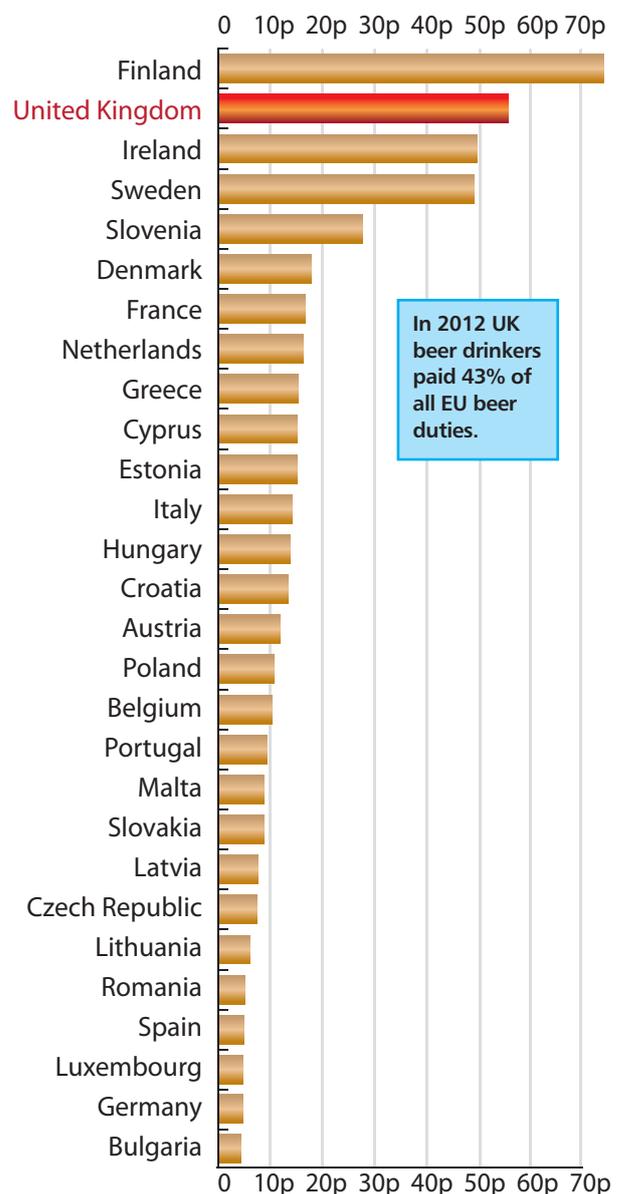
#### A beer duty freeze is essential to:

- Retain more than 900,000 jobs dependent on a healthy beer and pub sector
- Grow the value added by beer and pubs to the UK economy from the current level of £22 billion a year
- Ensure that the annual £3.4 billion contribution from beer duty to Government tax revenues is not eroded as a result of falling production.

Breakdown of tax paid on a typical pint (£3.00 pub pint).



Excise Duty Pence per 5% abv pint, by Country



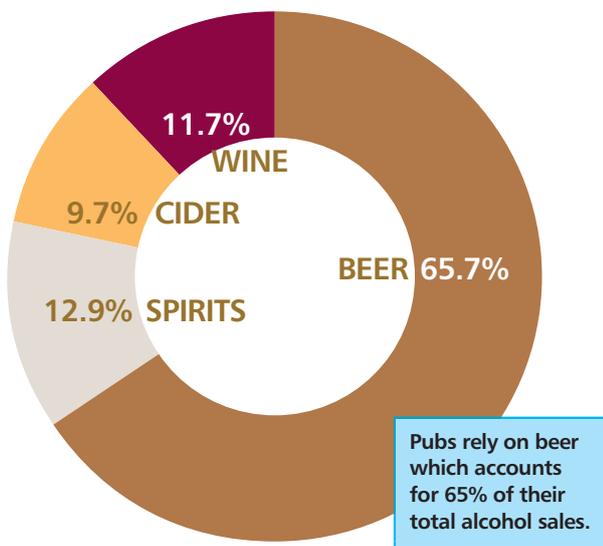
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## Over taxation of beer drinkers

The current tax system favours wine and spirit drinkers who are more likely to drink at home and penalises beer drinkers who drink in local pubs, where prices are higher and so attract a higher VAT charge.

CAMRA believes that this imbalance needs to be corrected through the alcohol duty system. This would also support pubs which rely on beer for 65% of their alcohol sales.

## Breakdown of pub alcohol sales by percentage



## Beer and Public Health

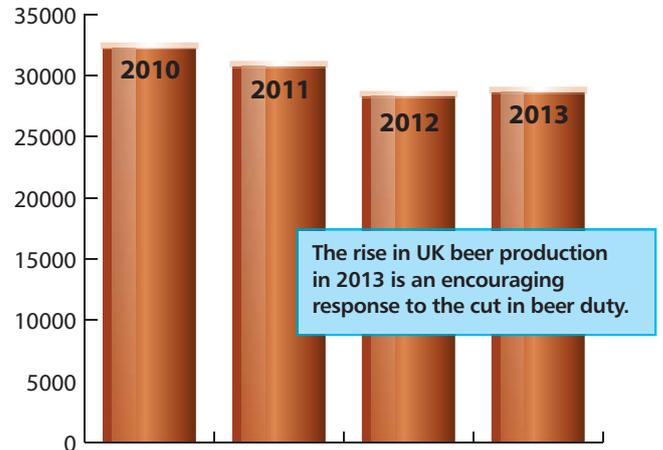
Some would have us believe that increases in beer duty would benefit the nation's health. This is untrue. High beer taxes do not result in people drinking less but instead cause them to change drinking behaviour. As beer sold in pubs has become steadily less affordable due to high taxes, drinking has shifted away from community pubs to drinking at home or on the streets.

Higher beer taxes also encourage drinkers to switch away from beer towards higher strength products like spirits that are cheaper to produce. An alcohol tax policy that is pro public health would encourage the consumption of lower strength products such as beer in a safe environment.

## Beer production

Since the 2013 Budget, beer production in the UK has increased by more than 1% in response to the beer duty cut.

## UK beer production, per 1,000 Hectolitres

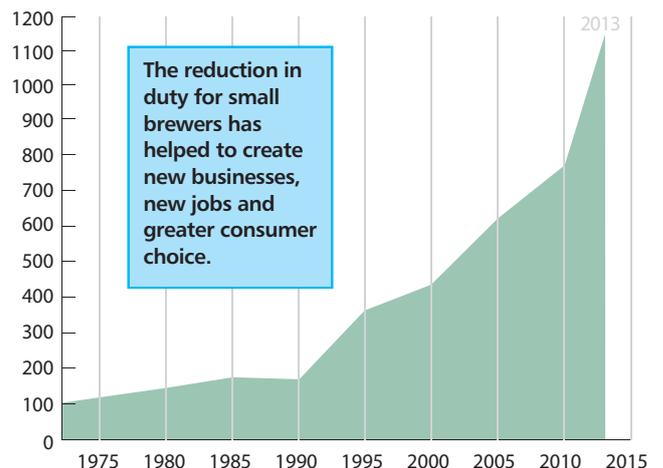


## Small Brewers

Small brewers face especially high costs in producing and marketing their beers. In recognition of these higher costs the very smallest brewers receive a 50% beer duty reduction.

CAMRA strongly supports the retention of this lower tax rate for small brewers as without it many of Britain's 1,100 small brewers would go out of business.

## Number of Small UK Brewers



## Need more information?

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