



Back Jobs

Back Growth

Back a UK Success Story: Back UK Spirits

Rt Hon Sajid Javid MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

23 August 2019

Dear Chancellor,

We are writing to congratulate you on your appointment. We know that you enter Number 11 with a long to-do list and many priorities for the economy and the country. We also know that you will want to celebrate UK business success and support further growth.

Our iconic national drinks — such as gin and whisky — are making greater contributions to the economy than ever before as people's drinking habits are changing as a 10 percent increase in cocktail sales over the last year demonstrates. Preferences towards premium products and quality over quantity is ensuring spirits are driving excise duty receipts and that the industry is flourishing. New craft distilleries are opening in every part of the United Kingdom and their number has more than doubled in the last five years. The industry is employing more than 180,000 people directly and supporting approximately 100,000 more jobs through its supply chain. Innovative new products that respond to changing consumer demands are coming to market, within a spirits ecosystem that supports premium mixers and the pubs, bars and restaurants at the heart of our communities. We want to see this success continue just as much as you do.

In recent years, the Government has backed our industry with a stable excise duty regime. But despite this, spirits duty in the UK still remains among the highest in the world. UK consumers pay over 70 per cent excise duty on our national drinks — the tax on a typical £14 bottle of London gin or Scotch is £10.38. This is a major drag on investment and growth.

With that in mind, we write to ask you to support the UK Spirits Alliance campaign to fix excise duty – first by freezing it for the length of this parliament, then reforming it.

Recent polling shows that distillers across the country are optimistic. 84 per cent plan to increase production over the next year; 70 per cent plan to increase the amount they export; 60 per cent plan to hire more staff. But for distilleries like ours across the country a hike in spirits duty would put the brakes on these plans. Under this scenario, only 16 per cent would still look to hire more staff; a third would actually be forced to decrease their production.

Business across the country need to know that uncertainty isn't around the corner so that they can continue to invest, grow and employ staff. Government should join us in celebrating the global thirst for British drinks, backing jobs, growth and UK success by fixing spirits duty.

Yours sincerely,

Adam Elan-Elmegirab, Founder and Director, The House of Botanicals

Alan Powell, Founder and Coordinator, British Distillers Alliance

Alex Griffiths, Director, Griffiths Brothers Distillery Ltd

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David Haworth, CEO, Pernod Ricard UK

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Gordon Quinn, Managing Director, Badachro

Ian McCulloch, Managing Director, Silent Pool Distillery

Ian Smith, Director, Tiree Whisky Company Ltd

Jamie Baxter, Owner, Craft Distilling Services Ltd

Jeremy Shepherd, VP General Manager, Brown-Forman UK

Julie Heap, Director, Wicked Wolf Exmoor Gin

Karl Bond, Co-Founder, Forest Distillery Ltd

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Phil Whitwell, Founder and Managing Director, Batch Brew

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Simon Picken, Director, Shakespeare Distillery

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