

Main points

Following calls from the WSTA, the Chancellor has today announced a freeze on all alcohol products. This means no uprating in line with inflation.

This means (see table below for full rates):

- Duty on a 750ml bottle of wine will remain at £2.16
- Duty on a 750ml bottle of sparkling will remain at £2.77
- Duty on a 750ml bottle of fortified wine will remain at £2.89
- Duty on a 70cl bottle of vodka at 37.5% will remain at £7.54
- Duty on a litre bottle of vodka at 37.5% will remain at £10.78
- Duty on a 70cl bottle of Gin at 40% will remain at £8.05
- Duty on a litre bottle of Gin at 40% will remain at £11.50

The government will introduce a new duty band for still cider and perry from 6.9% to 7.5% alcohol by volume (abv), to target white ciders. Legislation will be brought forward in Finance Bill 2018-19, for implementation in 2019, to allow producers time to reformulate and lower their abv. No announcement was made on the new band for wines between 5.5% and 8.5% abv from the March Budget.

Following concerns raised by the WSTA, the Government has also agreed that future duty changes should not take place immediately after the budget and therefore forecasts assume that any upratings will take place on 1 February each year.

Budget 2017: WSTA's reaction

Miles Beale, Chief Executive of the WSTA said:

“We are pleased that the Chancellor has found his festive spirit and listened to the call from the WSTA and its members and has frozen wine and spirit duty. He has shown the Government is in touch with what consumers want and is supporting an industry which is proving to be a real asset to British business. He has recognised that rebalancing the UK's excessive duty rates is a win/win for both the Treasury, the wine and spirit trade – not to mention consumers. This decision will be celebrated by millions who will raise a glass this festive season!”

Budget 2017: excise duty rates

| Drink Category | Unit of Measure | Previous rate (March 2016) | New rate | % Change 2017 | Excise duty (per case) | Excise duty (per bottle) |
|--|---------------------------|----------------------------|----------|---------------|---|------------------------------------|
| Spirits | per litre of pure alcohol | £28.74 | £28.74 | 0.00% | £90.53 (per 12 bottle case) | £7.54 (per 70cl at 37.5%abv) |
| Spirit-based RTDs | per litre of pure alcohol | £28.74 | £28.74 | 0.00% | £5.22 (per 12 bottle case) | £0.43 (27.5cl @5.5%) |
| Still and made-wines: exceeding 5.5% but not exceeding 15% vol | per hl | £288.65 | £288.65 | 0.00% | £25.98 (per 12 bottle case) | £2.16 (per 75cl) |
| Sparkling wine and made-wine exceeding 5.5% but not exceeding 8.5% vol. | per hl | £279.46 | £279.46 | 0.00% | £25.15 (per 12 bottle case) | £2.10 (per 75cl) |
| Sparkling wine and made-wine exceeding 8.5% but not exceeding 15% vol. | per hl | £369.72 | £369.72 | 0.00% | £33.27 (per 12 bottle case) | £2.77 (per 75cl) |
| Still and made-wines exceeding 15% but not exceeding 22% vol | per hl | £384.82 | £384.82 | 0.00% | £34.63 (per 12 bottle case) | £2.89 (per 75cl) |
| Wine and made-wines 1.2% - 4% abv (including wine & cider based RTDs) | per hl | £88.93 | £88.93 | 0.00% | £8.00 (per 12 bottle case) | £0.67 (per 75cl) |
| Wine and made-wines 4% - 5.5%abv (including wine & cider based RTDs) | per hl | £122.30 | £122.30 | 0.00% | £11.01 (per 12 bottle case) | £0.92 (per 75cl) |
| Beer (for every 1% vol) General beer duty (2.8 to 7.5%) | per hl per 1% | £19.08 | £19.08 | 0.00% | £4.58 (per 12 bottles @ 500ml) | £0.43 (per pint Per pint at 4%abv) |
| Beer - High strength (for every 1% vol) in addition to General beer duty (exceeding 7.5% abv) | per hl per 1% | £5.69 | £5.69 | 0.00% | | |
| Beer - Lower Strength (for every 1% vol - exceeding 1.2% not exceeding 2.8%abv) | per hl per 1% | £8.42 | £8.42 | 0.00% | | |
| Cider & Perry exceeding 1.2% but not exceeding 7.5% | hl | £40.38 | £40.38 | 0.00% | £2.42 (per 12 bottle case @ 500ml) | £0.23 per pint |
| Cider & Perry exceeding 7.5% but not exceeding 8.5% | hl | £61.04 | £61.04 | 0.00% | £3.66 (per 12 bottle case @ 500ml) | £0.35 per pint |
| Sparkling Cider & Perry exceeding 5.5% but not exceeding 8.5% contained in bottles with mushroom stoppers or with a pressure of 3 bar or more | hl | £279.46 | £279.46 | 0.00% | £25.15 (per 12 bottle case) | £2.10 per bottle (75cl) |

Budget 2017: additional measures

The Chancellor announced a range of other business related matters including:

- The OBR has revised down its forecast for GDP growth by 0.5 percentage points to 1.5% in 2017, then growth slows in 2018 and 2019, before rising to 1.6% in 2022.
- £2.3 billion of support to businesses to reduce the burden on business rates by bringing forward to 1 April 2018 the planned switch in indexation from RPI to the main measure of inflation (currently CPI).
- Continuing the £1,000 business rate discount for public houses with a rateable value of up to £100,000, subject to state aid limits for businesses with multiple properties, for one year from 1 April 2018
- To bring the UK in line with other major economies and broaden the tax base through removing relief for inflation that is not available elsewhere in the tax system, the corporate indexation allowance will be frozen from 1 January 2018. Accordingly, no relief will be available for inflation accruing after this date in calculating chargeable gains made by companies.
- Fuel duty will be frozen for an eighth year in 2018-19.

Further information:

- Full Budget 2017 documents- <https://www.gov.uk/government/publications/autumn-budget-2017-documents>

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