<table>
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<tr>
<th>Topic</th>
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<td>The UK Alcohol Industry</td>
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<td>The Wine Story</td>
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<td>IWSR UK wine and spirits data</td>
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About the WSTA
The WSTA represents over 300 companies producing, importing, exporting, transporting and selling wines and spirits in the United Kingdom.

WSTA members range from major retailers, brand owners and wholesalers to fine wine and spirit specialists, logistics and bottling companies.

We campaign for a vibrant and sustainable wine and spirit industry, helping to build a future in which alcohol is produced, sold and enjoyed responsibly.

A special thanks to the IWSR for providing the data for this publication.

And also to:
The UK alcohol industry’s worth

£39.9bn in sales;
£21.1bn (53%) from wine and spirits

Wine and spirits are worth to the on trade...

- **Spirits** £5.8bn (24.2%)
- **Wine** £4.2bn (14%)
- Champagne £440m (1.8%)
- Sparkling wine £360m (1.5%)
- RTDs £227 million (0.9%)
- Fortified wine £42m (0.2%)
## Most popular drinks in the UK

<table>
<thead>
<tr>
<th>At home</th>
<th>In a pub</th>
<th>In a restaurant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Red wine</td>
<td>Lager</td>
<td>White wine</td>
</tr>
<tr>
<td>White wine</td>
<td>Ale</td>
<td>Red wine</td>
</tr>
<tr>
<td>Lager</td>
<td>Cider</td>
<td>Lager</td>
</tr>
</tbody>
</table>

### Sales in the UK

- **Wine**: £5.3bn (£5.3 billion) (34%)
- **Spirits**: £4bn (£4 billion) (25.4%)
- **Sparkling wine**: £722m (£722 million) (4.6%)
- **Champagne**: £332m (£332 million) (2.1%)
- **RTDs**: £226 million (1.4%)
- **Fortified wine**: £283m (£283 million) (1.8%)

£10.9bn (£10.9 billion) in sales (69%)

...and to the off trade...
Wine and spirits are worth £5.4bn to UK pubs and bars, representing 35.5% of all sales.

And... £4.2bn is sold to hotels & restaurants.

With changing consumer demand, the drinks mix of new premises is changing. Nearly half of all drinks sold in new pubs, bars, and restaurants are wine and spirits.

### The changing face of the on trade

<table>
<thead>
<tr>
<th>2013-2015</th>
<th>Spirits</th>
<th>Beer</th>
<th>Wine</th>
<th>Soft drinks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closures</td>
<td>21.5%</td>
<td>59.6%</td>
<td>15.3%</td>
<td>13.6%</td>
</tr>
<tr>
<td>Openings</td>
<td>25.8%</td>
<td>34.3%</td>
<td>22.8%</td>
<td>17%</td>
</tr>
</tbody>
</table>

**Change:** (+4.3%) (-25.3%) (+7.5%) (+3.4%)
Employment

Wine & spirits directly and indirectly support

512,000 jobs
+76,000 more through retailers

= 588,000 jobs

Youth employment

The hospitality industry helps young people get in to work...

46% of the hospitality work force are under 30
33% are under 25
The Wine Industry’s Worth

£6.7bn to shops and supermarkets and £4.2bn to bars, pubs and restaurants

The Wine Industry Generates

£17.3bn in economic activity

£10.9bn in sales

£6.1bn in duty and VAT paid by consumers

£9.1bn in total contribution to the public purse (duty, VAT, corporation and income tax)
### The wine industry’s exports

The UK wine market is the **6th** largest wine market in the world.

It is also the **2nd** largest trader by volume (behind Germany) and by value (behind USA).

### The wine industry’s consumer

**55%** of UK adults drink wine.

This is the equivalent of 28m people.
The Wine Story

The wine industry as an employer

170k people are directly employed in wine and 100k are employed in the supply chain.

600m bottles of wine are bottled in the UK.

The socially responsible wine industry

Wine bottles are 30% lighter than they were 7 years ago, helping cut emissions.
The English and Welsh wine industry

*502* vineyards

*133* wineries

*2,000+ hectares* under vine in England & Wales 2013 (2,801 full size football pitches)

*5.06m* bottles produced in 2015

*12m* the estimated number of bottles produced by 2020

*£100m* value of the industry
The Spirits Story

The spirits industry generates

£28.2bn in economic activity

£9.8bn in sales

£4.9bn in duty and VAT paid by consumers

£6.9bn in total contribution to the public purse (duty, VAT, corporation and income tax)

The spirits industry is currently worth

£4bn to shops and supermarkets

£5.8bn to bars, pubs and restaurants
1.25bn litres were exported from the UK to foreign markets in 2015

- 1.2bn bottles of whisky
- 204m bottles of gin
- 54m bottles of vodka

43% of UK adults drink spirits. This is the equivalent of 22m people.
The Spirits Story

The spirit industry as an employer

186k people are directly employed in spirits and 110k are employed in the supply chain

The socially responsible spirit industry

Emissions of CO2 from distillers has fallen by 94,000 tonnes since 1999. This is the equivalent to taking 30,200 cars off the road.
The British spirit industry

233 registered distilleries in the UK...

New distilleries in 2015:

<table>
<thead>
<tr>
<th>% change since 2014</th>
<th>England</th>
<th>N. Ireland</th>
<th>Scotland</th>
<th>Wales</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+45</td>
<td>+1000</td>
<td>+10</td>
<td>+100</td>
</tr>
</tbody>
</table>

6  12  28  10
A responsible industry

1.3bn units of alcohol removed from the UK market by industry

150+ irresponsible products removed from shelves by the Portman Group

ensured 80% of alcohol product labels contain unit information

91% contain a warning about drinking while pregnant
18.1% fall in consumption from 2004 to 2015

62% of young people (11-15) have never tried alcohol (up from 38% in 1988)

4% of young people tried alcohol in the last week (down from 26% in 2001)

89% of people have heard of units (up from 79% since 1997)
65% of all alcohol duty paid in 2015 was from the wine and spirit industry...

£7bn +£4bn VAT

In 2015, wine and spirits contributed and estimated £16.4bn to the Treasury (VAT, duty, employment and corporation tax)

That’s the equivalent of £298 per person
39.4% of all EU alcohol duty collected across member states is collected by the UK Chancellor.

UK wine duty is the 2nd highest in the EU.

UK spirits duty is the 4th highest in the EU.

15 EU states have a 0% duty rate to support their wine industries.

Since 2008, wine taxation has increased 54%.

Spirits taxation increased 41%.
Current UK duty tax

- **Wine**
  - Avg price: £5.40
  - Duty: £2.08 (75cl)
  - 55% tax

- **Gin**
  - Avg price: £13.27
  - Duty: £7.75 (40%)
  - 75% tax

- **Vodka**
  - Avg price: £12.61
  - Duty: £7.26 (37.5%)
  - 74% tax

- **Blended Whiskies**
  - Avg price: £12.93
  - Duty: £7.75 (40%)
  - 77% tax

\[ \text{Tax} = \text{duty} + \text{VAT} \]
Sources

The UK Alcohol Industry
CGA Strategy
EY
HMRC
Home Office
WSTA Market Report Q2 2016
YouGov

The Wine Story
English Wine Producers
EY
IWSR
WSTA
YouGov

The Spirits Story
EY
HMRC
IWSR
YouGov

A Responsible Industry
Department of Health
HMRC
ONS
Portman Group

Taxation
EY
HMRC
About the IWSR

The IWSR quantifies the global market for alcohol by volume and value, and provides insight into short-term and long-term trends.

Globally, we track overall consumption and trends at brand, quality and category level for wines, spirits and RTDs, with the aim of providing data that is as accurate and detailed as possible.

Our unique methodology allows us to get closer to what is actually consumed and understand better how markets work. The IWSR researchers conduct face-to-face interviews with 1,500 companies around the world, tapping into local expertise, with further input from 350 companies.

Please note that the following figures are preliminary and may be subject to change.
UK wine sales 2011 - 2015

UK wine sales by category 2015

- Light Wine
  - Since 2014 -1%
  - Since 2011 -6%

- Sparkling Wine
  - Since 2014 +10%
  - Since 2011 +42%

- Fortified Wine
  - Since 2014 -4%
  - Since 2011 -15%
### UK still wine sales by country of origin in 2015

<table>
<thead>
<tr>
<th>Country of origin</th>
<th>000s 9L cases</th>
<th>% change from 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>25,030</td>
<td>+2</td>
</tr>
<tr>
<td>USA</td>
<td>16,551</td>
<td>+7</td>
</tr>
<tr>
<td>France</td>
<td>15,649</td>
<td>-5</td>
</tr>
<tr>
<td>Italy</td>
<td>15,498</td>
<td>-6</td>
</tr>
<tr>
<td>Spain</td>
<td>12,856</td>
<td>-3</td>
</tr>
<tr>
<td>Chile</td>
<td>10,818</td>
<td>+2</td>
</tr>
<tr>
<td>South Africa</td>
<td>9,995</td>
<td>-8</td>
</tr>
<tr>
<td>New Zealand</td>
<td>5,073</td>
<td>+6</td>
</tr>
<tr>
<td>Argentina</td>
<td>2,865</td>
<td>+17</td>
</tr>
<tr>
<td>Germany</td>
<td>2,795</td>
<td>-13</td>
</tr>
</tbody>
</table>

### UK still wine sales by colour

- **Red**: 52,520 (43%) -1%
- **White**: 54,599 (45%) -1%
- **Rosé**: 13,840 (12%) -2%
UK sparkling wine sales by origin in 2015

<table>
<thead>
<tr>
<th>Country of origin</th>
<th>000s 9L cases</th>
<th>% change from 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Italy</td>
<td>6,349</td>
<td>+28</td>
</tr>
<tr>
<td>2 Champagne</td>
<td>2,542</td>
<td>+4</td>
</tr>
<tr>
<td>3 Spain</td>
<td>2,279</td>
<td>-12</td>
</tr>
<tr>
<td>4 France</td>
<td>350</td>
<td>-3</td>
</tr>
<tr>
<td>5 Australia</td>
<td>301</td>
<td>-14</td>
</tr>
<tr>
<td>6 United Kingdom</td>
<td>278</td>
<td>11</td>
</tr>
<tr>
<td>7 USA</td>
<td>104</td>
<td>-16</td>
</tr>
<tr>
<td>8 Other</td>
<td>202</td>
<td>-11</td>
</tr>
<tr>
<td>9 Total</td>
<td>12,405</td>
<td>+10</td>
</tr>
<tr>
<td>10 Total ex. Champ</td>
<td>9,863</td>
<td>+11</td>
</tr>
</tbody>
</table>

UK fortified wine sales 000s 9L cases

- **Sherry**: 1,119 (53%), % change v 2014: -7.7%
- **Port**: 957 (45%), % change: +0.7%
- **Other**: 43 (2%), % change: -2.8%
### UK spirits sales 2015

- **Flavoured spirits**: 18.3%
- **Vodka**: 29.7%
- **Scotch whisky**: 18.2%
- **Gin**: 11.5%
- **Rum**: 10.4%
- **Brandy**: 6.2%
- **Other**: US Whiskey (6%), Irish Whiskey (1.1%), Tequila (0.9%)

<table>
<thead>
<tr>
<th>Spirit</th>
<th>000s 9L cases</th>
<th>% change from 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vodka</td>
<td>9,520</td>
<td>+5</td>
</tr>
<tr>
<td>Flavoured Spirits</td>
<td>5,867</td>
<td>+1</td>
</tr>
<tr>
<td>Scotch Whisky</td>
<td>5,836</td>
<td>+0.4</td>
</tr>
<tr>
<td>Gin</td>
<td>3,691</td>
<td>+25</td>
</tr>
<tr>
<td>Rum</td>
<td>3,321</td>
<td>+17</td>
</tr>
<tr>
<td>Brandy</td>
<td>1,983</td>
<td>-0.4</td>
</tr>
<tr>
<td>US Whiskey</td>
<td>1,922</td>
<td>+25</td>
</tr>
<tr>
<td>Irish Whiskey</td>
<td>340</td>
<td>+10</td>
</tr>
<tr>
<td>Tequila</td>
<td>281</td>
<td>+26</td>
</tr>
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