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speaking for the wine and spirit trade

The Wine and Spirit Trade Association Budget Submission 2020

Back Business - Cut Tax

Foreword

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The Wine and Spirit Trade Association (WSTA) is the largest alcoholic drinks trade association, and speaks for over 300 UK companies producing, importing, distributing and retailing wine and spirits. Those businesses make a significant contribution to the UK economy, supporting some 360,000 jobs in the UK, contributing £49 billion per annum in economic activity and paying more than £12 billion in duty and VAT. The industry has a long and diverse supply chain which includes distilleries, vineyards, producers, distributers, bottling plants, pubs and hospitality, logistic companies and retailers.

The UK is at the heart of the world wine and spirit trade and is the world's largest exporter of spirits and the world's second largest importer of wine. The UK is also a major hub for imports, not only for wine destined for the UK but also for wine coming from across the globe for onward shipment to the EU and Northern Europe. Together with the fine wine trade and growing exports from English wine, total wine exports from the UK reached £630 million in 2018, making wine the fifth most valuable food export category.

The UK spirit industry is both a mature and growing one. The UK is the world's largest spirit exporter with exports exceeding £5.4 billion in 2018. Led by British gin's boom at home and abroad, new and innovative spirit drinks are regularly released to the market, representing a thriving industry rich in small and medium enterprises.

Despite the UK's position as a global leader for the wine and spirit trade, UK businesses are handicapped by a punitive excise regime.

In 2018/19, UK wine and spirit businesses and consumers paid over £8 billion in duty, accounting for 67% of alcohol duty revenue collections. UK consumers now pay duty of £2.23 per bottle of still wine and £8.05 for every bottle of spirit (40% ABV) and duty rates are so high that 55% of the average priced bottle of wine and 73% of the average priced bottle of spirits bought in the off-trade is taken up in tax.

Inflationary pressures, in particular the fall in the value of sterling, together with additional costs associated with preparing for Brexit, mean that wine and spirit businesses are already having to overcome financial obstacles.

With less than a month before the UK is scheduled to leave the EU, there has never been a better or more important time for the Government to back the UK's wine and spirit businesses: to relieve pressure on an industry that is still dealing with the effects of the devaluation of the sterling, declining consumer confidence and inflation, and to allow them to plan for the future with greater confidence.

The UK wine and spirit industry remains ambitious and outward looking, keen to invest in export growth but, with some of the highest duty rates in the world making it less competitive globally, increasingly restricted cashflow makes it harder to meet these challenges and opportunities.

The WSTA's main ask of the Chancellor is simple: back business and cut duty for all alcohol products by 2%.

SME's make up the bulk of businesses in the wine and spirit industry. They have been hit hardest by recent shocks to the system and need Government support.

The Government should commit to a review of alcohol taxation once Britain has left the EU

As this submission will show, cutting alcohol duty would allow wine and spirit businesses to not only prepare for Brexit but also to fulfil their ambitions and grab the opportunities that lie ahead. This submission also shows that cutting duty will not only benefit businesses and UK consumers but will actually boost income to the Treasury.

I hope you consider this request for support for a great British industry.

Miles Beale,
Chief Executive, WSTA

The UK wine and spirit industry

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£49 billion
in economic activity

£17 billion
in total contributions to the public purse

£22 billion
in sales

360,000
employees across the supply chain

The wine industry

£11 billion
in sales

£4.4 billion
duty paid

130,000
employees across the supply chain

The spirit industry

£11 billion
in sales

£3.8 billion
duty paid

230,000
employees across the supply chain

"This year, I'm supporting the WSTA's call for a cut to wine and spirit duty. Cutting duty on wine and spirit products is a sensible way to stimulate the economy as we approach leaving the EU, and would preserve the UK as the hub of the international wine and spirit trade.

"A duty cut would help ease strain on household incomes, increase revenue for the Exchequer, and be a welcome show of support to our nation's businesses."

Nigel Evans MP
MP for Ribble Valley

"Wine duty has sadly been singled out for increases under this Government. It has risen by 12% since 2014, while spirits duty has increased by just 2% and beer duty has actually decreased by 0.2% in that time. We support the beer duty reduction and the spirits duty rising slowly, but think wine should be treated more equally, especially given the contribution the industry makes to the UK economy.

"I'm calling for this unfairness to stop. I support the WSTA's campaign for a cut to wine duty at the next budget."

Neil Coyle MP
MP for Bermondsey and Old Southwark and Chair of the All-Party Parliamentary Wine and Spirit Group

A duty cut would support Great British industry and be good for consumers and the Exchequer

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UK duty rates are aggressively high and compare unfavourably when judged against those of other wine and spirit producing and trading countries. Current policy, however, is to increase duty on all alcohol products in line with RPI inflation every year until 2023.

If the Government increases duty by the current rate of RPI (2.2%) this would add 6p to a bottle of still wine, 8p to a bottle of sparkling wine and 21p to a bottle of spirits at 40% abv. This will be painful for consumers at a time when confidence is fragile and damaging for businesses when trading conditions are already tough. It makes no economic sense to increase wine and spirit duties.

Economic modelling and sales data show that cutting duty can and does increase revenue to the Exchequer while increasing duty hurts consumers and reduces Exchequer revenue.
A duty cut can work for everyone.

The WSTA has long expressed concerns about the evidence base and economic modelling used to support Government policy on excise duty. For a number of years we have commissioned economic impact analyses of possible Budget outcomes: duty cuts, freezes or increases. Every year the modelling has shown that a cut or a freeze in duty can result in increased economic activity while having minimal impact on revenue to the Exchequer, whereas increasing duty simply stifles consumer demand and reduces Exchequer revenue.

This year there is clear empirical evidence to support the hypothesis. Following the freeze in wine and spirit duty rates in the November 2017 Budget, returns for financial year 2018/2019 saw record receipts for both wine and spirit duties. Wine receipts rose to almost £4.4 billion while spirits receipts came in at £3.8 billion. Not increasing duty was good for the industry, good for consumers and good for the Exchequer.

However, following the increase in wine duty from 1 February 2019, off-trade sales data for the four months from February to the end of May saw a 2.9% decrease in the volume of still wine sales and a 5.6% decline in sparkling wine and Champagne sales. Fewer sales means less duty revenue for Government. This was confirmed in HMRC's own October 2019 Alcohol Bulletin – which showed a 2.1% fall in wine duty revenues, whilst beer and spirits, both of which received a freeze, were up by 2.4% and 1.7% respectively.

The Government is set to lose £93 million in 2019/2020 if revenue from wine duties declines throughout the year at the same rate it has done for the first six months. Simply increasing alcohol duty can no longer be mistaken as a means of increasing revenue.

The WSTA fully supports the Government's manifesto commitment to cutting taxes. In the short term, and in order to maintain the UK position at the heart of the world wine and spirit trade, the Chancellor should take the opportunity to take immediate action at the Government's first Budget and cut excise duty ahead of any wider review. In the longer term, once the UK has left the EU, we welcome the Government's manifesto commitment to review the system of alcohol taxation.

Supporting a review of excise duty policy

The current EU framework is unnecessarily complex and bureaucratic and has led to a distorted market and an uneven competitive playing field, particularly for products lower than 8.5% abv. Once the UK has left the EU and is free to do so, the Government should conduct a wide-ranging review that examines the operation of the whole of the alcohol excise duty regime, not just rates. The outcome of the review needs to:

- Produce a simpler, fairer regime that supports responsible British consumers and businesses
- Support the growth of lower and reduced alcohol products
- Assess the continued need for duty stamps
- Review economic modelling, in particular price elasticity; and
- Modernise the administration of the regime

Any review must also respect international definitions of spirits and the International Organisation of Vine and Wine's definition of wine. Wine must continue to be taxed equally within a range of alcoholic strengths.

At the 2018 Budget the Government announced an end to post-duty processing (PDP). In order to avoid businesses having to reformulate their products more than once, the entry into force of the ban on PDP should be deferred until the outcome and implementation of any review is complete.

Lastly, with sparkling wine accounting for over two thirds of the English and Welsh wine produced, a review should examine removing the higher rate of duty on sparkling wine. Traditional method sparkling wines are more costly and time-consuming to produce and as premium products generally pay more VAT because of higher unit costs. Sparkling wine being subject to the highest of all alcohol excise duty rates is not justified and negatively impacts on UK producers and consumers.

The case for a new economic model

We do not believe the Government's current economic model accurately reflects price elasticity of demand (PED) which we believe significantly underestimates the elasticity of relatively small price increases, particularly on wine.

The PED for wine is estimated by HMRC (-0.24 for on trade and -0.08 for off trade). These values suggest wine prices are significantly more inelastic and are at variance with values estimated by alternative academic research, for which the mean elasticity is -1.3.

HMT modelling using the inelastic PED suggests that wine consumption is significantly less responsive to changes in price than other economic models have forecast or indeed experience from WSTA members has shown. This is the case for both on- and off-trade wine consumption, but the difference between HMT modelling and other alternatives is especially pronounced for off-trade consumption, which accounts for around 70% of alcohol consumption. That HMT models currently underestimate elasticity is echoed by our members who report that consumers are very price sensitive particularly around price points. It is time to revisit the Government's economic model and develop a more sophisticated one which reflects real world consumer behaviour. We are keen to work with the Government to develop an improved model which is fit for the future.

Supporting Small and Medium Enterprises

SMEs make up the bulk of businesses in the wine and spirit industry, and they have been hit the hardest by recent shocks to the system. Uncertainty related to Brexit; the drop in the value of sterling; and the recent duty rise for the SME-concentrated UK wine industry have all taken a toll at different points along the supply chain.

Improving support for SMEs

The WSTA commends the Government's pledge to reducing running costs for business, especially for smaller firms and supports the proposed increase in Employment Allowance for small businesses.

At the 2018 Budget, the Government announced funding that includes £11 million for a Small Business Leadership programme, £20 million to strengthen local networks and £25 million to expand Innovate UK's Knowledge Transfer Partnerships programme. The WSTA calls on the Government to ringfence further funding to support the growth of SMEs in the UK, and to develop programmes which encourage them to look outwards, build international links and increase exports.

The WSTA supports the manifesto pledge to expand start-up loans through the British Business Bank and to strengthen the powers of the Small Business Commissioner to support small businesses in tackling late payments. The WSTA also supports the reform of business rates, and is encouraged to see the pledge to remove further small businesses from the business rates burden and "back the High Street". The Government should expand this commitment more widely, to the entire hospitality sector.

Supporting SMEs to export

Over recent years the British gin boom has seen a significant increase in distillery numbers, whilst the area under vine across England and Wales has increased dramatically. Our craft distillers and wineries, having established themselves in the domestic market, are now looking further afield. The WSTA supports the Government's pledge to help SMEs become exporters, so that they can seize the opportunities presented in target markets. The Government should also explore how best to incentivise and encourage UK businesses to export earlier in their business development, including working with trade associations like the WSTA.

To boost export potential, the Government should give greater financial support to SMEs - export vouchers, export tax credits, and support for overseas export missions - to reduce risk and increase incentive to export.

Since 2010 wine has been singled out by successive Governments for harsher treatment than other alcoholic drinks categories. Since 2010 wine duties have increased by 39% when compared with rises in beer duties of only 16%. These punitive rises have negatively impacted the UK wine trade. It is not just UK businesses that will be affected. At a time when the UK is keen to increase trade outside the EU, giving beneficial treatment to domestic products by imposing a non-tariff barrier on an imported product, will do little to reassure our trading partners that the UK is serious about its global trading ambitions.

Wine is the nation's most popular alcoholic drink and is the largest contributor to alcohol duty collections - £4.4 billion in 2018/19, and supports nearly 130,000 jobs across a broad supply chain including vineyards, bottling plants, distributors, retailers, restaurants and pubs. The UK is also a key hub for trade in all wines, exports as well as imports, and has an ambitious and growing domestic wine industry that competes against some of the world's most renowned products.

The UK wine industry's economic footprint is far-reaching:

- 130,000 jobs
- £19bn in economic activity, including sales worth £8.9bn to shops and supermarkets and £4.2bn to pubs, bars and restaurants
- £8 billion to the Exchequer including £4.4bn in duty in 2018/19 and £1.85bn in VAT
- Centre of the world wine trade importing £3.5bn worth of wine and exporting over £630m
- UK's most popular drink.
- 64% of UK adults drink wine, the equivalent of 33 million people.

English and Welsh wine production

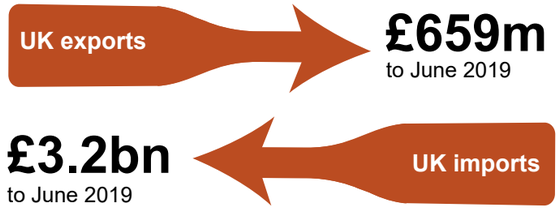
The UK has a thriving wine industry that is ambitious in terms of both domestic growth and exports. 2018 saw a record year reflecting the exceptional weather but also the ever-increasing area under vine. The equivalent of over 14 million bottles of wine were produced in 2018, double the previous record harvest. English and Welsh vineyards have ambitious plans to continue increasing production to 2040 and, with that, to ramp up exports. This rapidly growing industry also represents a changing UK agricultural sector and one that offers high quality rural jobs that boost local economies, as well as supporting biodiversity and sustainability. Farmers are seeing the potential in wine production and in the past few years has attracted foreign investment including from some of the world's most well-known Champagne houses. There are over 650 vineyards in the UK, with more than 150 open to the public, highlighting the potential for rural tourism.

An international industry

The UK wine market is made up of 99% imported products and is the world's second largest exporter by both volume (to Germany) and value (to the USA). Logistics and shipping companies are key to the movement of imported wine, with the equivalent of 640 million bottles imported in bulk, meaning further jobs are supported in bottling plants across the UK.

Most of this wine is then transported through the country by distributors and finally sold through pubs, bars, independent shops, online sales or through supermarkets representing a vast supply chain. Wine is also the UK's 5th largest food and drink export: around £630 million worth of wine was exported from the UK in 2018.

The UK's place in world wine trade



English and Welsh wine production

650+
vineyards

164
wineries

3,500+ hectares
under vine in England & Wales 2019

40m
the estimated number of bottles produced by 2040

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Concha y Toro UK

Concha y Toro, based in Chile, is one of the world's largest wine producers, and Concha y Toro UK (CyT UK) is its fully-owned subsidiary, and the UK's second-largest branded wine company in retail sales. With a staff of 58, the Oxfordshire-based company has steadily built its UK presence since its foundation in 2001, and now ships some 6.75 million 9 litre cases of wine to UK retailers. It supplies the well-known wine brands Casillero del Diablo, Cono Sur and Trivento to a wide variety of retail customers, and represents circa 60% of all Chilean and 25% of all Argentinean wine sales in the UK.

CyT UK is relatively autonomous, with the Chilean parent company giving them a good deal of responsibility, but they are, like many in the industry, under more fiscal pressure than ever. As costs have increased, primarily due to a hard-hitting combination of a sustained fall in the value of sterling along with year-on-year excise duty increases, margins for brands at key price positions have become unsustainable. This is despite the many measures taken to reduce costs and find operational efficiencies, including a significant shift to UK packaging.

CyT UK now ship increasing volumes (circa 60% of the total) of wine from South America in bulk to be bottled at Greencroft Bottling in the North East of England, thereby providing valuable business for one of County Durham's leading employers.

Whilst seeking to add value through their sales, most wine consumers' budgets cannot accommodate further increases in wine duty. The market is subsequently seeing ongoing declines in volume, especially within the affordable or everyday price brackets.

Wine is the largest category by value in the UK off-trade, ahead of both spirits and beer, and the average bottle is sold for less than £6. Wine consumers come from a wide range of socio-economic backgrounds and enjoy it in a responsible fashion, yet they are being unfairly punished by rises in duty on wine.

Further increases in excise duty will make wine difficult or impossible to supply at commercially sustainable levels and will damage business for businesses in the supply chain. If the cost of doing business in the UK becomes prohibitive, global wine business investment will inevitably transfer to more attractive and profitable markets away from the UK.

Spirits are the UK's second favourite alcoholic drink category and the UK spirit-producing industry is a great British success story, producing and exporting some of the world's most iconic brands but also accounting for some of the most exciting SMEs in the UK. Gin has been the standout performer in recent years, an industry now worth over £3 billion a year with some £2.3 billion in domestic sales and exports now worth £700 million and growing. Since 2013, over 200 distilleries have opened in the UK, 49 in 2018 alone, setting their sights on creating new and innovative brands and opening up new export markets.

The UK spirit industry's economic impact is far-reaching:

- 230,000 jobs
- £30bn in economic activity, including sales worth £4.5bn to shops and supermarkets and £6.5bn to pubs, bars and restaurants
- £9bn to the Exchequer, including £3.4bn in duty in 2018/17 and £1.8bn in VAT
- The UK exported £6.2bn in the 12 months to May 2019, including over £700m of gin, making us by far the largest exporter of spirits in the world

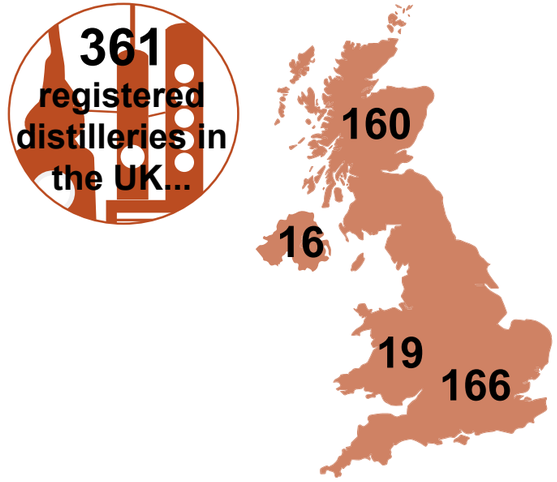
The great British distillery boom

With the ever-rising popularity of gin, the emergence of English and Welsh whisky and the innovation across other spirits products there has been a boom in the number of distilleries opening up across the UK. Northern Ireland now boasts 16 distilleries and Wales 19, up from 2 and 1 respectively in 2010. Scotland has seen significant growth since 2010 with 160 distilleries, however England has seen the largest growth and now boasts more distilleries than Scotland - English distilleries increased seven fold from just 23 in 2010 to 166 in 2018, including the first new sites in London to produce whisky in more than 100 years. There is no doubt the UK spirit industry is building for the future.

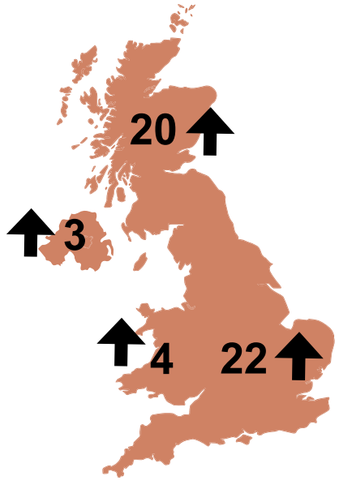
Exporting with ambition

British spirits are one of the UK's most valuable exports and are increasingly becoming more diverse, with British gin exporting the equivalent of over 200 million bottles around the world in 2018 worth over £600 million, making it the 6th most valuable food and drink export in 2018 with significant growth expected in 2019 (£730 million in exports year to year to June 2019). The UK gin industry is becoming a standard bearer for British brands, accounting for 2 in every 3 bottles of gin exported around the world, and has huge growth potentlal.

The British spirit industry



New distilleries in 2018:



2019: the gin boom continues

£2.3bn
sold in the UK. +16% since 2015) and c.76m bottles, the equivalent of 1.2bn single G&Ts.

£730m
worth of gin exported y-o-y to June 2019

Mason's Yorkshire Gin

Mason's Yorkshire Gin is a premium gin distillery that has led the revival of gin distilling in God's Own County, becoming a staple of the Northern Powerhouse gin revival. Initially launched in 2013 by gin-loving duo and husband and wife, Karl and Cathy Mason, the company has grown phenomenally and now has an ever-increasing presence across the UK and internationally.

From humble beginnings, the distillery now employs 30 full-time staff, and has launched 6 gins, including lavender and tea additions (Yorkshire Tea!) on national distribution right across the UK, from Edinburgh to Manchester, from its home in Yorkshire to the city of London. Not only that, but Masons have become ambassadors for the gin category abroad, stocked on the back bar in 7 export markets.

Karl Mason is confident about the future of the distillery, even in challenging trading times:

"The beauty of our gins is the craftsmanship and passion that goes into each batch. We put a lot of love and Yorkshire passion into our craft. Provenance is key."

And that Yorkshire passion really has been tested. In April 2019, everything changed for Mason's Yorkshire Gin, as disaster struck at the distillery. A fire broke out, destroying the building and forcing the stills out of production. Years of hard work had gone up in smoke. Testament to Karl and Cathy, their passion for gin and entrepreneurial spirit pulled through the disaster, and the following morning they and the team were back around a table (the Mason's kitchen table!) making all of the necessary plans to continue the business and keep building from strength to strength.

However, even though the business is back on its feet, the company continues to come up against challenges daily to achieving their full potential, including high levels of alcohol duty.

"In the last years we've gone from strength to strength. We've had our well documented knock backs but we're in this for the long run. The gin category continues to grow by value and volume and it really presents an opportunity for us, with some recognized established brands on the market.

Mason's Yorkshire Gin

However, even though the business is back on its feet, the company continues to come up against challenges daily to achieving their full potential, including high levels of alcohol duty.

"In the last years we've gone from strength to strength. We've had our well documented knockbacks but we're in this for the long run. The gin category continues to grow by value and volume and it really presents an opportunity for us, with some recognized established brands on the market. However, to continue flying the flag for British Gin abroad, we need a competitive home market."

"Our Masons Yorkshire gin is bottled at 42% abv, making it an outstanding gin and tonic and retails at about £30-£34, but the Duty and VAT on a bottle priced at £34 adds up to £14.12. That puts an additional financial strain on a business like ours, which having been established in 2013, and then having gone through everything we've faced since, is really still in its early stages."

And what would a duty cut allow?

"For us, a duty cut would free up some much need cash flow, which we could reinvest in our new distillery operations.

"Yorkshire is full of amazing SME businesses like ours and has a real history and reputation for producing top quality food and drink products. Think Yorkshire tea. Think Yorkshire cheese. Equally, we want to make gin synonymous with Yorkshire. And we and other distilleries in the area can do that. But we need further Government support, and that starts with a duty cut."

Excessive wine and spirit duties are bad for business

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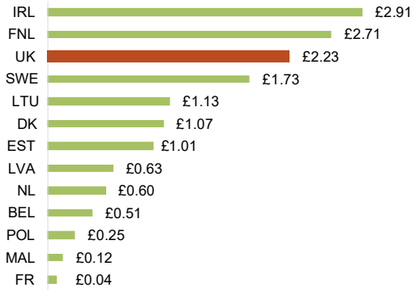
Wine duty

On 1 February 2019, wine and sparkling wine were singled out for a rise in duty.

15 EU member states support their domestic wine industries with zero duty rates, whilst the UK still wine duty rate is the 3rd highest in the EU and second highest for sparkling wine (the vast majority of UK domestic production). UK businesses and consumers pay 69% of all wine duties collected across 28 EU member states.

Since 2010 wine duty has increased by 39%. Wine businesses continue to be singled out for the harshest treatment despite Court judgments that wine and beer are competing products and should be treated equally for tax purposes. Since 2014 when the Government scrapped the duty escalator, wine duty has increased by almost 9%, approximately five times the rate of increase of other alcoholic drinks.

UK wine duty is the 3rd highest in the EU

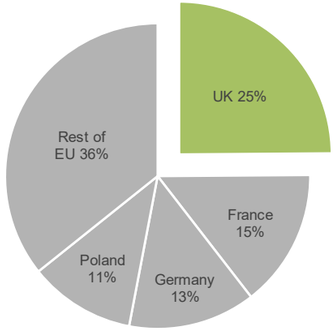


Spirits duty

The UK is the world's largest spirit exporter, exporting around the world some of the best-known as well as some of the most innovative brands to over 140 foreign markets. Domestically, the UK is in the midst of a gin boom - the industry is now worth over £3 billion in sales and exports, and the number of UK distilleries stands at 361. The UK's spirits industry is creating jobs in rural areas and contributing to local economies around the UK. It is clear that this is an industry with ambition.

However, despite the welcome freeze last year, the UK's excise duty on spirit drinks is high and curtails the necessary growth and investment for new small- and medium-sized distillers as well as for some of the world's most loved brands. For every average priced bottle of spirit, around 73% of the cost is taken up in duty and VAT.

25% of all spirit duty collected by EU member states is collected in the UK



Excessive wine and spirit duties are bad for consumers

There are 33 million wine consumers in the UK and they pay some of the highest taxes in the world. In 2018/19 wine businesses and consumers paid £4.4 billion in duty alone.

The 2019 increase saw wine duty rise to £2.23 per bottle of still wine and £2.77 per bottle of sparkling. Adding VAT puts another 95p on an average priced bottle, meaning that 55% of the cost to the consumer of an average priced bottle of wine is taken up in duty and VAT.

How much is tax on wine?

Duty on an average priced 75cl bottle =

£2.23
+ 97p VAT

The UK's 28 million spirit consumers still face some of the highest taxes in the world. They pay £8.05 on a bottle of spirit at 40% ABV – a 47% increase since 2007 - and in 2018/19 HMRC collected £3.8bn in duty, 25% of all spirit duties collected across all EU member states.

How much is tax on spirits?

Duty on an average priced 70cl bottle
(40% ABV) =

£8.05
+ 2.32p VAT

Wine and spirit consumers paid...

£8.2bn in duty
+
£3.6bn in VAT

Wine and spirit contribution to pubs and the on trade

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Pubs are vital to local communities and employ more than 500,000 people in the UK. As the on-trade evolves to meet ever-changing consumer trends, the wine and spirit industry is increasingly important to pubs and the wider on-trade. In the 12 months to March 2019, wine and spirit sales were worth £10.8 billion to the on-trade, with gin sales increasing year-on-year by 60% and driving this growth.

Furthermore, the wine and spirit industry continues to play an increasingly important role to the evolving face of the on-trade. Increasingly diverse consumers are expecting more from on-trade outlets and the on-trade is responding, becoming more dependent on wines that are paired with food and spirits that provide opportunities for consumers to experience new flavours.

Change in sales mix by cateogry for new outlets

2016-2018	Spirits	Beer	Wine	Soft drinks
Closures	24.3%	38.6%	20.3%	16.8%
Openings	25.6% (+1.3%)	36.7% (-1.9%)	21.1% (+0.9%)	16.5% (-0.3%)

In the 12 months to March 2019, pubs sold...

209m bottles of spirits

122m bottles of wine

37% of all sales in pubs by volume are wines and spirits

£6bn worth of sales

£120,000 per pub in the UK

A duty cut of 2% would mean savings of...

worth **£558** for every UK publican

In 2016, the WSTA commissioned a report from EY into the economic impact of the UK hospitality sector. The report highlights the industry's contribution to UK GDP, economic growth and jobs. Particularly it highlights the importance of wine and spirits to this industry.

£38.9bn
contribution to the Exchequer

£53.7bn
contribution to UK GDP

+3.1%
growth until 2020

46% **of the hospitality workforce are under 30**
32.5% **are under 25**

Wine and spirits alone are worth £10bn to the hospitality industry

2.6m are employed in hospitality, making it the UK's 4th largest employer

Hospitality is the third largest private-sector employer, covering 3.2 million hard-working people, and adding £130 billion to the UK economy. Yet, it is a sector under significant pressure as demonstrated by high-profile business failures and restructuring over the last 18 months.

The WSTA works closely with fellow trade body UKHospitality. Just as UKHospitality supports the WSTA's campaign to cut excise duty on wines and spirits, the WSTA supports their campaign for a significant cut in the business rates multiplier in England and the extension of High Street relief to businesses above £51,000.

A responsible industry: socially economically and enviromentally

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In addition to supporting sustainable economic growth and providing employment in the UK, the wine and spirit industry takes its role in responsibly producing, distributing and retailing alcohol very seriously. On behalf of the whole industry, the WSTA works closely with the UK Government and the devolved administrations to help tackle alcohol related harm and will continue to lead on social responsibility by working closely with government on the new Alcohol strategy

Promoting responsible drinking

The WSTA takes a leading role in supporting its members and to communicate health and content information to the public. It has recently produced, alongside other UK trade associations, guidance on labelling health and responsibility messages. To support this it produced a labelling design guide to help its members understand their labelling obligations, uses its website to sign-post towards the Chief Medical Officer's guidelines, international guidelines and has produced a calorie calculator to help increase awareness of calorie content.

Retail of Alcohol Standards Group

RASG
Retail of Alcohol Standards Group

As the only UK drinks trade association with off-trade retailer members, the WSTA continues to work closely in communities to tackle alcohol related harm through management of the Retail of Alcohol Standards Group, its Challenge 25 scheme and Community Alcohol Partnerships. It is also in coordination with the Home Office on its Local Alcohol Action Areas and throughout the UK. As a result of the work done by the group, underage drinking levels are at a record low, with only 8% of children having tried alcohol 'in the last week', down from 25% in 2003, and 16% having ever tried alcohol, down from 45% in 2003. It has recently published guidance on the responsible retail of alcohol in England and Wales, Northern Ireland and Scotland and is undergoing a review into the issue of proxy alcohol purchasing and ID schemes more generally.

Community Alcohol Partnerships (CAP)

Now ten years old, CAP brings together local retailers and licensees, trading standards, police, health services, education providers and other local stakeholders to tackle the problem of underage drinking and associated antisocial behaviour.

CAP

Environmental sustainability in the wine and spirit industry

As evidenced in recent publication 'Wine and Spirit Environmental Best Practice', the WSTA's member companies are striving to limit their impact on the environment while building sustainable businesses for the future. Touching on seven of the UN's Sustainable Development Goals, efforts from WSTA members have saved over a million tonnes of CO2 through efforts such as the bulk shipping of wine, use of lightweight bottles and through to the installation of renewable energy sources like solar power and wind farms.

Speaking for the wine and spirit trade

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.

The Wine and Spirit Trade Association

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