



Record 2000 pub closures since 2008 Budget at a cost of 20,000 jobs

- 75,000 further jobs under threat in the industry
- Five Ministers to face cross examination by MPs at UK Pubs Crisis Ministerial Summit
- Poll finds 70% of people want Chancellor to drop plan for beer tax increases in next month's budget

A record 2,000 pubs have now closed since the Chancellor increased beer tax in the 2008 Budget, resulting in 20,000 job losses over the last year.

In addition, research by Oxford Economics examining the impact of last year's 18 per cent leap in excise duty and the implications of the four year drinks tax escalator, forecasts that a further 75,000 jobs are at risk in the drinks industry. The two beer tax increases in 2008 alone placed an additional £520 million cost burden on the sector.

The release of these new figures comes on the same day five Government Ministers are due to face a cross examination by MPs at the UK Pubs Crisis Ministerial Summit.

Rob Hayward, Chief Executive of the British Beer and Pub Association, said:

"These new figures reveal the true scale of the struggle facing the beer and pub industry.

"There was understandable political concern about the recent 850 job losses at Mini. The pub sector is losing nearly twice as many jobs every month. Furthermore, when a pub closes a family loses not only its livelihood, but its home.

"The beer and pub industry is not looking for a handout, just hands off any further tax or regulation increases. We are urging the Government to abandon the 2 per cent over inflation drinks' tax escalator due to start in March and pledge no further increases in excise duty in this year's Budget.

"We are also asking them to abandon the Mandatory Code in the Police and Crime Bill, which Government say will cost the industry an extra £300 million this year alone and lead to further job losses and pub closures."

CAMRA Chief Executive, Mike Benner, said:

“There are sound reasons for the Chancellor to change his mind on this issue. The entire economic picture has changed beyond recognition in the last 12 months and with the return of Keynesian economics, I hope the Chancellor might draw some inspiration from one of the great economist’s most famous lines – “When the facts change, I change my mind.” Scrapping the increases in beer tax would be a truly popular piece of Keynesianism.”

Political pressure on Ministers has increased over the last fortnight after Britain’s largest union Unite, which has 20,000 members in the industry, came out in strong support of the campaign to scrap further beer tax increases.

The Liberal Democrats and Conservatives have also supported action to save the pub. The Conservatives joined the campaign last week with the official launch of their own “Save the British Pub” campaign, mirroring many of the “Axe the Beer Tax - Save the Pub” plans.

EDM 10 (‘Campaign to Save the Great British Pub’), which was laid by Lib Dem MP Bob Russell, has received the support of 160 MPs from all parties including 76 Labour MPs.

In addition, new polling by Com Res released on Monday showed that 70% of people opposed the Government’s proposals to increase beer tax above inflation in this year’s budget.

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Or go to www.axethebeertax.com, or email info@axethebeertax.com, or call the campaign hotline on 020 7467 9294.

John Grogan MP, Chair of the All-Party Parliamentary Beer Group, Mike Benner, Chief Executive of CAMRA and Mark Hastings, Director of Communications of BBPA, are available for Wednesday am broadcast interviews.

Notes to editors:

1. The All-Party Parliamentary Beer Group meeting is taking place in Committee Room 10 in the House of Commons at 5pm on Wednesday 4th March 2009. It will be chaired by John Grogan, with over 50 MPs due to attend.

The following five Ministers are scheduled to attend:

Alan Campbell MP, Home Office

Angela Eagle MP, HM Treasury

Rt Hon John Healey MP, Dept for Communities & Local Government

Rt Hon Dawn Primarolo MP, Department of Health

Gerry Sutcliffe MP, Department of Culture Media & Sport

Industry speakers are as follows:

Jonathan Neame, Chief Executive, Shepherd Neame Ltd

Keith Bott, Managing Director, Titanic Brewery and President, Society of Independent Brewers

Mike Benner, Chief Executive, Campaign for Real Ale

Jeremy Phillips, Barrister at law and Co-Editor, Paterson's Licensing Acts

Kate Nicholls, Association of Licensed Multiple Retailers

John Longden, Director, Pub is the Hub

Ralph Findlay, Chief Executive, Marston's

2. The Axe the Beer Tax – Save the Pub Campaign was launched in November by the British Beer & Pub Association, and beer consumer champion, CAMRA, the Campaign for Real Ale. For more information, please visit the campaign website at www.axethebeertax.com

3. The costing of £300 million for the impact of the mandatory code on the sector in this year alone is contained in the Government's regulatory impact assessment that accompanies the Police & Crime Bill. The costs comprise £178 million of turnover loss to the sector; £116m for compulsory qualifications; £3.1m for 125ml wine glasses and £12m for changing spirits measures. A range of other proposals in the code are as yet uncoded by the Government

4. The Government admits that the costs for the regulation may be much more than £300 million – “There will be a cost to the alcohol industry of complying with the additional conditions that are likely to be imposed on them....., there is the potential for this cost to escalate significantly”, Page 11, Regulatory Impact Assessment.

5. The Government states that the mandatory code will lead to pub closures and job losses – “However, we recognise that in the short run, there is the potential for significant transitional costs including job losses and the closure of small businesses. This effect will be further assessed as the content of the code is drawn up”, Page 23, Regulatory impact Assessment.

6. The British Beer & Pub Association is the UK's leading organization representing the brewing and pub sector. It's members account for 98% of the beer sold in the UK and own nearly two thirds of Britain's 56,000 pubs.