



16<sup>th</sup> March 2009

## **Drinks industry leaders meet Chancellor, Mandelson to discuss Budget**

The chairmen of the UK's major drinks industry trade associations met with the Chancellor of the Exchequer and Business Secretary Lord Mandelson in two separate meetings yesterday to discuss the upcoming Budget and the impact of tax rises and the economic slowdown on the sector.

The meetings come just weeks after the drinks industry warned in its first ever joint Budget submission that over 75,000 jobs are at risk if the Government proceeds with its current plan to further increase taxes on alcohol over the next four years.

Pressure has been growing on the Government to act following the launch of the "Axe the Beer Tax – Save the Pub" campaign which has nearly 40,000 signed up supporters, including 190 MPs who have signed an EDM in support following 24,000 emails being sent to MPS via [www.axethebeertax.com](http://www.axethebeertax.com).

In the meetings yesterday, the drinks industry urged the Chancellor and Lord Mandelson to abandon the 2% above inflation tax escalator on alcohol due to start in April and called for no further increases in excise duty in this year's Budget.

In asking for a duty freeze, industry leaders argued that it is essential now to help businesses across the whole sector cope with the most testing economic conditions.

Research by Oxford Economics included in the industry's Budget submission examined the effects of last year's 17% leap in excise duty and the implications of the four year tax escalator scheduled to start this year.

Its impact study forecasts:

- A further 75,000 jobs at risk in the drinks industry
- A drop in alcohol sales by over 11%
- Consumer prices up 17%
- Tax revenue from alcohol £1.6 billion lower than original Treasury estimates

A spokesman for the five trade associations said: "We appreciate the opportunity to make our case directly to the Chancellor and Lord Mandelson and hope that they will take a close look at the potential impact on employment of any further tax increases.

"The Government has a real opportunity next month to reverse its planned tax increases on the drinks industry to protect jobs and Treasury revenue."

### **Notes to Editor**

#### **The Trade Association Chairmen at yesterday's meeting with the Chancellor:**

British Beer and Pub Association: Michael Turner

Gin and Vodka Association: Ian Jamieson

National Association of Cider Makers: Fenella Tyler

Scotch Whisky Association: Paul Walsh

Wine and Spirit Trade Association: Christopher Carson

#### **British Beer & Pub Association**

The BBPA is the leading organisation representing the UK beer and pub sector. Our members account for 98% of beer brewed in the UK and own more than half of Britain's 58,000 pubs.

#### **Campaign for Real Ale**

CAMRA is a consumer organisation that campaigns for real ale, real pubs and consumer rights. CAMRA has over 95,000 members and has been described as the most successful consumer group in Europe.