

TOM PURSGLOVE MP
CORBY & EAST NORTHAMPTONSHIRE



HOUSE OF COMMONS

LONDON SW1A 0AA

19th November 2018

Dear Constituent,

RE: ALCOHOL DUTIES.

Thank you for contacting me recently about alcohol duties; your comments upon which I read with great interest.

As announced at the 2018 Autumn Budget, duties on beer, cider, and spirits have again been frozen. Next year, the price of a typical pint of beer will be 2p lower than if prices had risen with inflation; the price of a pint of cider will be 1p lower; and the price of a bottle of Scotch whisky will be 30p lower. This follows the removal of the beer duty escalator in 2013 and the unprecedented cuts and freezes in beer duty since then, as well as the removal of the duty escalator for spirits, wine, and cider in 2014.

I am pleased that the Government was able to deliver this, in order to support our great British spirits distilleries, our cider producers, our brewing industry, and our local pubs. I support the fact that the Government is continuing to look at ways to improve the system of alcohol taxation, to ensure it helps to tackle binge drinking without unfairly penalising responsible drinkers, pubs, and important local industries.

When the duty escalator was removed in 2014, spirit duty was also frozen. The spirits industry was then given a further boost when spirit duty was cut by 2 percent in 2015, and then frozen again in 2016. In 2019, the average tax on a bottle of Scotch whisky is expected to be £1.54 lower than it otherwise would have been, since ending the spirits escalator in 2014.

When the duty escalator was removed in 2014, cider duty was also frozen. The cider industry was then given a further boost when duty for ordinary cider was cut by 2 percent in 2015, and then frozen again in 2016. The tax on a typical pint of cider is expected to be 4p lower than it otherwise would have been, since ending the cider escalator in 2014.

I recognise your concerns regarding the decision to increase wine duty at the Autumn Budget, but the duty remains far lower than it would have been without previous Government support for the wine industry. The removal of the wine duty escalator meant that in 2014 wine duty rose only by RPI inflation; 2 percent lower than the previous planned rise. Wine duty was then frozen in 2015, to support the UK's growing wine industry. The tax on a typical bottle of wine is expected to be 16p lower than it otherwise would have been, since ending the wine escalator in 2014.

I welcome that the numbers of small brewers have increased significantly in recent years, from just 400 in 2002 to around 2,000 at present. I recognise that the Small Breweries' Relief has really helped the growth of the industry, but that there are also some concerns about how the relief works. That is why I welcomed the announcement at the Autumn Budget that the Government will review the current Small Breweries' Relief to ensure it is supporting growth in the sector.


LISTENING TO YOU - CAMPAIGNING FOR YOU

Email: pursglovet@parliament.uk - Telephone: 0207 219 8043



I recognise that pubs are an integral part of our local community and I have previously asked Ministers in the House of Commons about the steps being taken to promote our pub trade, highlighting the good work of this industry in Corby & East Northamptonshire. Furthermore, I recently met with some of those working in the industry in Corby to discuss the positives of the recent Budget announcements.

Once again, thank you for having taken the time to contact me and if I can ever be of any further assistance to you then please do not hesitate to contact me again.

With best wishes 

**TOM PURSCLOVE MP
MEMBER OF PARLIAMENT
CORBY & EAST NORTHAMPTONSHIRE**