

TEL: 01743 234400

Directors: J J Tanner, R J Morgan, S M Barratt, R C Boutflower, S D Crosland

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Dear Customer

As you will be aware, there is an increase to the rate of alcohol Duty to take effect from 1st February 2025. In the Chancellor's October 2024 Budget statement, it was announced there would be a 3.65% RPI increase in duty as well as the end of Duty easement, in place since August 2023.

Duty easement meant all wines with an ABV between 11.5% and 14.5% were charged the same rate of Duty. From 1st February 2025, wines with an ABV between 12.5% and 14.5% will increase at a rate significantly above inflation. The table below sets out the increases to the rate of Duty applied to a 75cl bottle of wine from 1st February 2025.

ABV %	Current £	From Feb 2025	+/- £
8.0	1.49	1.54	0.05
8.5	1.82	1.88	0.07
9.0	1.92	1.99	0.07
9.5	2.03	2.10	0.07
10.0	2.14	2.22	0.08
10.5	2.24	2.33	0.08
11.0	2.35	2.44	0.09
11.5	2.67	2.55	(0.12)
12.0	2.67	2.66	(0.01)
12.5	2.67	2.77	0.10
13.0	2.67	2.88	0.21
13.5	2.67	2.99	0.32
14.0	2.67	3.10	0.43
14.5	2.67	3.21	0.54
15.0	3.21	3.32	0.12
15.5	3.31	3.43	0.12

As an industry, we have lobbied hard to challenge the end of Duty easement as this adds significant complexity to our businesses and, in our opinion, penalises wine-producing regions where higher alcohol wines are often a consequence of the environment.

From 1st February, the above rates of Duty will be applied to your pricing. If you would like a copy of your current wine list, with updated pricing, please get in touch with your account manager for further information.

As we are all aware, the industry is facing significant inflationary pressures. In addition to this increase in Duty, there are also the well documented increases in National Living Wage and National Insurance Contributions due from 1st April 2025.

Furthermore, providers of alcohol in bottles will also have to contend with the Extended Producer Responsibility (“EPR”) scheme which is being introduced in 2025. This is passing the cost of collection and management of waste packaging from local councils onto businesses.

This legislation is still subject to intense lobbying and discussion but will add an estimated 15p onto the cost of a bottle of wine or spirits and is dependent on the weight of the glass (and other packaging materials used in the distribution of wines, beers and spirits). The Government has not yet clarified the exact rate that will be charged and this is not expected until later in the year (and possibly after the scheme has been launched).

Once we have more clarity, we will write back to you in March to communicate new prices for the year ahead, which will commence on 7th April.

The complexity of this year’s Duty increases, additional tax burdens and inflationary measures creates significant challenges for the industry and we would like to thank you in advance for your understanding and support.



James Tanner
CHAIRMAN



Simon Barratt
TRADE DIRECTOR