



Tuesday 18<sup>th</sup> January 2011

## BAN ON SALES BELOW TAX WELCOMED BY WHISKY DISTILLERS

The UK Government's proposal to ban alcohol sales below tax in England and Wales has been welcomed by The Scotch Whisky Association (SWA).

Scotch Whisky distillers have campaigned for over two years for such a measure to be introduced as a legal way to set a floor price for alcoholic drinks. The SWA also called today for the same floor price arrangements to be introduced in Scotland.

With a bottle of beer, wine or spirits displaying the alcohol content and carrying a known tax burden, enforcement of a ban on sales below excise duty and VAT is simple to operate and transparent.

The SWA supports the proposed ban as part of a two stage approach to modernising the UK alcohol duty regime. A floor price, where a unit of beer is taxed at 21p and of whisky at 29p, highlights the differential taxation of alcoholic drinks and reinforces the need for a fairer excise duty system, with all drinks taxed on the same basis according to alcohol content.

**Gavin Hewitt, SWA Chief Executive, said:**

“A ban on alcohol sales below the cost of excise duty and VAT is the right way forward. The next stage should be reform of an outdated duty system so that tax discrimination between drinks categories is removed and consumers are treated fairly whatever drink they prefer. The Budget in March offers an early opportunity to begin to introduce a fairer balance in alcohol taxation.”

- ENDS -

### Note to Editors:

1. The SWA has consistently argued for the introduction of a ban on alcohol sales below tax, establishing a legal 'floor' price for alcohol (as distinct from the 'minimum price' scheme envisaged by the Scottish Government which would have breached EU law).
2. Alcohol served as Scotch Whisky is already taxed some 250% higher than the same amount of alcohol served as cider, 37% higher than beer, and 30% higher than for wine.



3. With a ban on alcohol sales below tax, the floor price for a 70cl bottle of Scotch Whisky would be £8.00. By 2014, under current tax policy set out by the UK Government, the floor price would rise to £10.33.
4. For further information please contact Campbell Evans (020 7629 4384 and 07768 002 262) or David Williamson (0131 222 9230 and 07730 496 151) at the SWA.