



Wednesday 23 March 2011

A MIXED BUDGET FOR WHISKY DISTILLERS

- Disappointment at 59p a bottle excise duty rise -**
- Distillers welcome corporation tax and fuel duty reductions -**

The 7.2% increase in spirits duty will penalise Scotch Whisky drinkers and distillers, The Scotch Whisky Association (SWA) said today.

The SWA has, however, welcomed the Chancellor's announcements on corporation tax, fuel duty and help for manufactured exports.

The excise duty rise increases the tax discrimination faced by Scotch Whisky and other spirit drinks. Today's Budget means that the duty on a bottle of Scotch - nearly 40% higher than the duty per unit on beer and 30% higher than wine - will rise by 59p (duty and VAT).

The increase, which comes on top of a 22% duty rise since 2008, has widened the tax gap with other alcoholic drinks.

Commenting on the excise duty rise, Gavin Hewitt, Scotch Whisky Association Chief Executive, said:

“Today's 59p a bottle tax rise unfairly penalises responsible whisky drinkers and a key UK industry. Our alcohol duty system does not meet the principles of good tax policy set out by the Chancellor. Alcohol duty reform is urgently needed. The system discriminates against Scotch Whisky in favour of other alcoholic drinks, undermining an industry that should be at the heart of the Chancellor's export led growth agenda.”

On corporation tax and fuel duty, Mr Hewitt said:

“The changes promised to corporation tax and increased support for manufactured exports will allow distillers to invest for long term growth in overseas markets. Given that distilleries are often in remote rural communities the cut in fuel duty is very welcome.”



Notes to editors:

1. Today's duty rise increases the duty on a 70cl bottle from £6.66 to £7.15. With VAT (20%) charged on that extra duty, the total tax uplift on each bottle is 59p. The current average price of a 70cl bottle of Blended Scotch Whisky in the UK is £11.27.
2. For further information please contact Campbell Evans (020 7629 4384 and 07768 002 262) or David Williamson (0131 222 9233 and 07730 496 151) at the SWA.