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Whisky Duty Flawed. Time for a new Policy
- Scotch up 38p a bottle, duty rises 21.6% in two years -

Scotch Whisky distillers said the Chancellor had clearly not checked his own books and the falling revenue from spirits before raising duty by more than inflation. They called for a change of policy to avoid further damage to Scotch Whisky in the UK market.

The Budget increase means that spirits duty, which is already higher than the duty on beer, wine and cider, has risen 21.6% in the last two years. The duty on a bottle of Scotch Whisky is now £6.66. The Budget adds 38p tax to the price of a bottle of Scotch Whisky.

Gavin Hewitt, Chief Executive of The Scotch Whisky Association, said:

“The Chancellor’s duty escalator policy is totally misguided. The policy has failed. Revenue from spirits to the Treasury fell by £49m in 2009. Today’s duty rise by a Scottish Chancellor will not secure the increased revenue that he is looking for and undermines an industry that brings massive economic benefit to Scotland. He has hit Scotch at home and set a bad example for duty regimes in our export markets. Today’s decision is worsened by the announcement that the above inflation rises will continue for an extra two years to 2015.

“After the election the new Government needs to take a long hard look at the excise duty regime. The escalator should be abolished, duty on spirits should be frozen and the duty discrimination faced by Scotch, which the Chancellor has worsened again today, should be addressed through approximation of duty rates, and eventually duty equivalence for all alcoholic drinks over the life of the next Parliament.”

- ENDS -



Notes to editors:

1. Today's duty rise increases the duty on a bottle from £6.34 to £6.66. With VAT charged on that extra duty, the total tax uplift on a bottle is 38p.
2. Receipts from spirits to the Treasury fell £49m in 2009 compared with 2008.

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