



Wednesday 22 April 2009

Missed opportunity to support a key UK industry as Whisky duty rises

There was widespread disappointment across the Scotch Whisky industry today following the Chancellor's decision to increase the duty on spirit drinks by 2%.

Distillers face challenging market conditions at home and abroad. Following duty rises of over 13.5% in 2008, The Scotch Whisky Association (SWA) described the duty rise as 'a blow to the industry that comes at the worst possible time'. The Budget will add 14p to the price of a bottle of Scotch Whisky.

Gavin Hewitt, the SWA Chief Executive, said:

"A duty increase during a recession is a real blow and follows last year's duty rises on Scotch, the largest since the 1970s. The Government should be supporting all UK businesses, including Scotch Whisky distillers, who have the potential to help drive the economy out of recession. Instead, our industry is being weakened by the alcohol duty escalator.

"At a time when the Chancellor is looking for additional revenue, we believe that an increase in excise duty will be counterproductive. As this represents a 5% increase in real terms, the Treasury is likely to see lower receipts as the duty rise aggravates already tough market conditions in the UK, the industry's third largest market, and weak consumer confidence. The duty rise also sets an unwelcome precedent for other governments around the world who are also seeking to raise revenues."

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Note to Editors:

1. With the Chancellor estimating that the Retail Price Index (RPI) will be -3% in September 2009, today's duty rise is an increase of 5% in real terms.
2. 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.