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Britain’s pubs are closing at a pace of two a day

Higher taxes, labor costs and weak spending are squeezing margins across a sector central to the country’s drinking culture

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Pubs across Britain are closing at a pace of about two a day as operators say higher taxes, rising labor costs and weak consumer spending are squeezing already thin margins, according to the British Beer and Pub Association.

The trade group said 161 pubs shut in the first three months of the year, up 26% from the same period a year earlier, as landlords faced what it called the “sheer weight” of tax increases and other cost pressures. The closures are hitting a sector that remains central to Britain’s drinking culture and to sales of beer, wine and spirits in bars and restaurants.

The association said the latest wave of closures reflects a combination of higher payroll costs, business rates and broader inflation in food, energy and supplies. Many pubs have also been dealing with softer foot traffic as households cut back on discretionary spending.

The government has said it is trying to support hospitality through tax changes and targeted relief, but pub owners say the measures have not offset the rise in operating costs. Industry leaders have warned that more venues could close if further tax increases are introduced or if consumer confidence weakens again.

Some operators are also worried about the effect of geopolitical tensions on energy prices and shipping costs, which could add more pressure to imports and distribution. For pubs that rely on steady sales of draught beer, wine by the glass and spirits, even small increases in overhead can quickly erase profits.

The BBPA said the closures are not only a business problem but also a local one, since pubs often serve as community gathering places and employers in towns and neighborhoods where few other late-night venues remain.