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Britain Weighs Looser Rules for Alcohol-Free Beer

Brewers say raising the threshold to 0.5% would cut costs and speed growth in one of beer’s fastest-rising segments

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Britain’s fast-growing market for alcohol-free beer is facing a regulatory dispute that brewers and pub operators say could slow investment just as demand reaches new highs.

The British Beer and Pub Association, the main trade body for the sector, said more than 64 million pints of low- and no-alcohol beer are expected to be sold in the United Kingdom this summer, up by 8 million from last year. The group said the figures show that the category has moved beyond a short-lived trend and is becoming a larger part of the beer business.

At the center of the debate is the official British definition of “alcohol-free” beer. Under current guidance, the term applies to drinks with an alcohol by volume level of 0.05% or lower. The BBPA argues that threshold is too strict and out of step with many other countries, where drinks containing up to 0.5% ABV can be described as alcohol-free.

The trade body says that gap matters because removing alcohol from beer while keeping its flavor and aroma is technically difficult and often expensive. Brewers generally make the beer in a similar way to standard beer and then remove the alcohol through processes that can involve heat or pressure. Those methods can affect taste or raise production costs. In practice, producers say it is much easier to make a beer at up to 0.5% ABV than at 0.05% while still delivering a product consumers want to drink.

The BBPA warned that the current definition is creating confusion and holding back innovation in what it describes as the strongest growth segment in British beer. According to the group, sales volumes in no- and low-alcohol beer have risen by 870% since 2013.

The issue comes at a time when brewers are trying to respond to changing drinking habits, especially among younger consumers, who are drinking less alcohol than previous generations. The category has also benefited from a broader moderation trend and from strong seasonal demand during a summer marked by prolonged heatwaves in Britain.

Luke Boase, founder of the alcohol-free beer brand Lucky Saint, said demand rises during social occasions when consumers still want a beer experience without alcohol. He said a change in the definition to 0.5% would encourage more people in Britain to choose alcohol-free beer.

Emma McClarkin, chief executive of the BBPA, said the government should raise the threshold to 0.5% to match international markets and support further investment. She said such a move would give consumers more choice and help maintain momentum in a category that pubs and brewers increasingly see as commercially important.

The British government signaled that it is open to reviewing the rule. A spokesperson said the Department of Health and Social Care is considering whether to change the threshold at which a drink may be described as alcohol-free. The spokesperson said officials recognize that no- and low-alcohol products can help people reduce their alcohol intake and may support public health goals.

The government added that it has consulted stakeholders, including the BBPA, and said any decision would also take account of wider public health considerations. No timetable for a decision was announced.

Although there is no legal ban on marketing a beer with 0.5% ABV as alcohol-free, the industry says the official 0.05% definition still shapes consumer understanding and business decisions. That distinction has become more important as brewers expand their portfolios beyond traditional lager into products aimed at drinkers who want moderation without leaving beer behind.

For beverage companies, the outcome could have effects beyond labeling alone. A higher threshold could make it easier for brewers to develop products in the 0.05% to 0.5% range, potentially lowering technical barriers and encouraging new launches in pubs and retail stores. If the rule stays unchanged, producers may continue to face higher costs and narrower room for experimentation in one of the few parts of the beer market showing rapid growth.

The debate also reflects a broader shift in how drinks companies are positioning themselves as consumer preferences change. In Britain’s pub trade, where operators are under pressure to widen margins and attract customers across more occasions, alcohol-free beer has become one of the clearest growth opportunities. Whether regulators redefine the category may now shape how quickly that part of the market expands.