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British spirits groups urge the UK to cut alcohol duty after a 15.3% drop in spirits sales

Trade bodies say three years of higher levies hurt demand, leaving 2025/26 excise receipts below 2022/23 levels

Friday, September 11, 2026



British spirits groups are pressing the UK government to cut alcohol duty ahead of the next Autumn Budget after reporting a sharp fall in sales volumes over the past three fiscal years and arguing that repeated tax increases have not produced stronger

revenue for the Treasury.

The Wine and Spirit Trade Association said spirits volumes sold in the UK fell 15.3% between the 2022/23 and 2025/26 fiscal years. Over the same period, it said still wine volumes dropped 8% and fortified wine volumes fell by more than 22%. The association said the decline came after a new excise duty regime introduced in 2023, followed by two further duty increases.

The Scotch Whisky Association, which is also calling for a cut, said spirits duty has risen about 17% over the past three years. It argued that the higher rates have added pressure to producers and the wider supply chain while Treasury receipts from excise duty in 2025/26 ended up below the level recorded in 2022/23. Neither group published the underlying liters sold or the absolute revenue totals in the material released this week, so the scale of the changes in physical sales and tax receipts cannot be independently calculated from the statements alone.

The renewed lobbying effort has gained political backing in Scotland. On Thursday, Scotland’s First Minister John Swinney publicly urged the UK government to support the Scotch whisky sector and reduce spirits duty in next month’s budget. His statement followed a meeting with the Scotch Whisky Association’s council of member companies.

Swinney said duty increases had placed “undue pressure” on the industry and said he supported calls for the UK government to address what he described as unfair treatment. The Scotch Whisky Association said a duty cut would help distillers, suppliers, hospitality businesses and consumers at a time when the sector is still dealing with export market disruption in recent years and broader cost pressures.

The industry groups’ case is based on the argument that higher tax rates have raised prices for consumers, reduced demand and failed to deliver the expected benefit to public finances. The Wine and Spirit Trade Association said the Office for Budget Responsibility’s forecasts have been too optimistic in assuming that alcohol duty increases would raise more money for the Treasury. The group said lower sales have undermined that expectation.

The next potential increase cited by the trade bodies has not been approved. The Wine and Spirit Trade Association said that if duty rises in line with the retail price index at an estimated 2.9% in the Autumn Budget, that would add about £0.31 to the duty on a bottle of gin, £0.11 on a bottle of red wine and £0.10 on a bottle of Prosecco. The association warned that another increase would hit businesses already facing higher employment costs, business rates and new packaging-related charges.

Both groups are framing the issue not only as a tax dispute but also as a wider economic question. The Wine and Spirit Trade Association said the drinks sector supports more than 400,000 jobs across the UK, with 60% of those in hospitality. The Scotch Whisky Association said about 70% of British spirits are produced in Scotland and that spirits account for 38% of hospitality profits, making the issue especially important for Scottish producers and venues.

Scotch whisky producers have also tied the domestic tax debate to conditions in export markets. The association said the industry has faced more than six years of turbulence abroad but has seen some improvement in 2026 through better market access in destinations including the United States and India. It argued that a lighter tax burden at home would help companies invest and take advantage of those openings.

The lobbying campaign comes as ministers prepare the budget amid broader pressure on household incomes and business costs. The trade bodies say a lower duty rate would support consumption, help businesses recover and could eventually increase Treasury income by lifting volumes. That claim reflects the central position of the sector’s lobbying effort, but it remains an argument made by industry organizations rather than an announced government policy or an independently verified fiscal forecast.

The Wine and Spirit Trade Association and the Scotch Whisky Association are both advocacy groups representing the drinks industry, and their statements were issued as part of budget submissions and public campaigning. Their figures are likely to add to political pressure on the Treasury, especially after Swinney’s intervention, but the government has not yet announced a final decision on alcohol duty for the Autumn Budget.

The debate is likely to be watched closely across the drinks trade, hospitality sector and devolved administrations because it brings together several competing questions at once: the cost of living for consumers, the financial health of pubs and restaurants, support for manufacturing in Scotland and other parts of the UK, and whether repeated excise increases are helping or hurting public revenue. For now, the immediate issue is whether the Treasury follows the expected inflation-linked path or accepts the industry’s demand for a cut.