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Irish Whiskey Association urges Ireland to cut spirits excise duty by 10% in Budget 2027

The industry group says rising energy, shipping and water costs are squeezing distillers despite €930 million in exports.

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The Irish Whiskey Association said Tuesday that it wants Ireland’s government to cut spirits excise duties by 10% in Budget 2027 and provide targeted support for exporters and distillers as the industry faces higher energy, logistics, and water costs.

The association, which represents the sector through Drinks Ireland, published its pre-budget submission as the government prepares next year’s fiscal package. It said Irish whiskey remains a major agri-food export, but argued that rising operating costs and a more uncertain trading environment are putting pressure on producers, especially smaller distilleries and businesses in rural areas.

According to the group, Irish whiskey exports were worth €930 million in 2025 and global sales reached a record 16.4 million cases that year. It said the broader worldwide economic value of the sector was more than €5 billion. The association also said 2025 included production pauses and some distillery closures, even as the industry maintained strong sales by value and volume and attracted investment from international partners.

At the center of the group’s proposal is a call for an immediate 10% cut in drinks excise duty. The association said Ireland has one of the highest excise regimes on spirits in the European Union and argued that the tax burden is out of step with current drinking trends. It said per capita alcohol consumption in Ireland has fallen by 35% over the past 25 years, while excise rates have remained high.

The association linked that tax argument not only to distillers, but also to bars, restaurants, and tourism businesses that depend on whiskey sales. If adopted, a lower excise rate could affect shelf prices and on-trade pricing, and could also improve producer and hospitality margins at a time of cost pressure. For the wider drinks industry, the debate is being watched as a sign of how far governments in Europe may be willing to ease tax pressure on spirits makers while trying to support tourism and local manufacturing.

The submission also asks the government to back a broader push to diversify export markets. The association said distillers have already reduced their dependence on the United States, with the U.S. share of total Irish whiskey exports falling from 49% in 2023 to 38% in 2025. It said producers have been expanding in markets such as India, Japan, South Africa, and Nigeria and want more state support to sustain that effort.

Specifically, the group called for larger dedicated teams within Bord Bia, the Irish food promotion agency, and direct support for exporters taking part in trade fairs and overseas promotion. The request comes as distillers try to manage trade uncertainty in key markets, including the effect of tariffs.

Energy and transport costs form the third main part of the association’s submission. Distilling is energy intensive, and the group said producers are facing projected energy cost increases of up to 20%. It also warned of international shipping cost increases of up to 80%, a significant issue for an export-heavy business that relies on moving glass, packaging, and finished product through global supply chains.

The association added that planned increases in non-domestic water charges between 2026 and 2029 could further strain the sector. It called on the government to introduce a sector-specific energy relief scheme and to absorb those water tariff increases through central funding to Uisce Éireann, Ireland’s public water utility. It also asked for a reduction in regulatory burdens on small and medium-size producers.

Eoin Ó Catháin, director of the Irish Whiskey Association, said in a statement that the industry’s recent performance should not hide the pressure many operators are under. He said distillers and regional producers are dealing with high domestic tax rates, energy inflation, and rising costs across packaging and shipping. He argued that without government action in Budget 2027, Ireland risks slowing regional growth, discouraging investment, and weakening a category that has been one of the country’s most visible export products.

The association said Irish whiskey was the only spirits category to increase its market share in 2025, though that claim came from the industry group rather than an independent market report released with the submission. It framed its budget requests as a way to protect jobs and maintain the sector’s competitiveness over the long term.

The timing of the appeal reflects a broader challenge for beverage producers across Europe. Distillers, brewers, and wine companies have faced higher borrowing costs, volatile freight rates, and shifting demand since the pandemic period, while governments have balanced public health policy, tax revenues, and support for domestic producers. In Ireland, where whiskey has a strong export profile and an

important role in tourism, any change in excise policy could carry effects beyond distilleries alone, influencing hospitality demand and the pricing environment for alcoholic drinks more broadly.

For now, the association is asking the Irish government to treat whiskey as both an export industry and a regional employer. Its submission sets out three immediate requests before Budget 2027: a 10% reduction in drinks excise duty, more public support for market diversification, and relief on energy, logistics, and water-related cost pressures that it says are weighing on the sector.