vinetur

Irish whiskey industry seeks a 10% excise cut in Ireland’s 2027 budget

The trade group says record sales have not offset mounting energy, shipping and water costs for distillers.

Thursday, September 24, 2026



Ireland’s whiskey industry is asking the government to cut spirits excise duty by 10% in the country’s 2027 budget, arguing that the sector is facing growing cost pressure even as global sales reached a record level last year and exports became less dependent on the United States.

The request was set out this week by the Irish Whiskey Association, which said an immediate tax reduction is needed to support distillers, hospitality businesses and tourism operators. The group also called for more state help to develop markets outside the United States and for relief on energy, logistics and water costs. The proposal is an industry request and not a measure approved by the government.

The association said Irish whiskey posted strong commercial results in 2025. Global sales reached 16.4 million cases, the highest level recorded for the category, while exports were worth €930 million. It also said the broader economic value linked to Irish whiskey exceeded €5 billion last year. According to the group, Irish whiskey was the only spirits category to gain market share in 2025.

Those figures come at a time when the industry says it is trying to adjust to a more uncertain trade environment. One of the clearest changes has been a decline in reliance on the U.S. market. The association said the United States accounted for 49% of Irish whiskey exports in 2023, but that share fell to 38% in 2025. That was a drop of 11 percentage points over two years, reflecting what the industry sees as a push to spread risk across a wider group of export destinations.

The association said that trend matters because distillers are trying to protect themselves from trade disruption and demand swings in any single market. It said expanding into countries such as India, Japan, South Africa and Nigeria requires more staff, more trade promotion and more regular participation in international trade fairs, costs that can be difficult for smaller producers to absorb.

In its budget submission, the association asked the Irish government to strengthen state support through Bord Bia, the country’s food and drink export agency, and to provide direct assistance for exporters seeking to build business in newer markets. The group said that without this kind of backing, smaller distilleries could struggle to keep up with larger international competitors.

The tax cut request is likely to draw attention beyond whiskey producers because Ireland has one of the highest excise burdens on spirits in the European Union. The association argued that the current level of taxation no longer reflects consumer trends or the financial reality facing many businesses in the domestic market. It said alcohol

consumption per person in Ireland has fallen by 35% over the past 25 years, while the tax level on spirits remains above the EU average.

The industry group said that combination is putting added strain on distilleries, bars, restaurants and tourism businesses, especially outside major cities. It said rural small and mid-sized producers and recently established distilleries are particularly exposed. Some already faced production stoppages and closures in 2025, according to the association, even though overall sales and export values remained high.

The budget proposal argues that the pressure is not coming from taxation alone. Distilling is energy intensive, and the association said producers are preparing for energy cost increases of as much as 20%. It also warned that international shipping costs could rise by as much as 80%. In addition, it said planned increases in water charges for non-domestic users between 2026 and 2029 could add another layer of uncertainty for companies trying to plan investment and production.

Because of those risks, the association is also seeking an energy relief plan, full state coverage of future water charge increases through central government transfers to Uisce Éireann, and a reduction in regulatory burdens for small and medium-sized businesses. It said those measures would help protect margins at a time when costs for packaging, transport and utilities are climbing.

Eoin Ó Catháin, director of the Irish Whiskey Association, said the industry’s recent strength should not be taken for granted. He said Irish whiskey now supports more than €5 billion in value worldwide, but warned that continued investment and employment, particularly outside large urban centers, could be at risk if the government does not respond in the 2027 budget. He said a 10% excise cut, combined with targeted export support, would help prevent a loss of momentum in a sector that remains important to manufacturing, hospitality and tourism.

The call comes as the industry tries to balance two very different realities. On one side, the sector is reporting record case sales, strong export earnings and growing market diversification. On the other, producers say many local businesses still face a fragile operating environment because their costs are rising faster than their ability to pass those increases on to consumers.

The export shift away from the United States is one of the most significant changes in the data presented by the association. While the U.S. remains the largest single market for Irish whiskey, its reduced share suggests the industry is trying to limit its exposure to tariffs, policy changes and other trade risks. The association described that strategy as increasingly important in a period of uncertain international commerce.

The figures released this week relate mainly to 2025 performance and to policy proposals now being presented ahead of Ireland’s 2027 budget process. The association did not provide fully comparable total volume or value figures for 2024 in the material released with the proposal. Its fiscal demand also remains only a recommendation from the industry, and any change to excise duty would depend on government decisions in the budget.

For now, the Irish whiskey sector is using its recent sales record and export diversification as evidence that it can keep expanding, while also arguing that those gains could be undermined if taxes and operating costs continue to rise at the same time.