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U.K. Beer Trade Group Says a Duty Freeze Could Support 7,100 Jobs

Ahead of the Budget, the BBPA urged ministers to lift draught relief to 30% after a 3.6% duty increase in February.

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Britain’s main beer and pub trade group said Thursday that freezing beer duty and increasing tax relief for draught beer in the next Budget could support or create 7,100 jobs across the sector, as brewers and pub operators press the government for tax

relief after a duty increase earlier this year.

The British Beer and Pub Association, which represents brewers and pub companies in the United Kingdom, said about 3,400 of those jobs, or 47.9%, would go to people under 25. The group is asking the government to keep beer duty at its current rate and raise draught relief to 30%, arguing that the combination would help pubs keep prices down, protect investment and support hiring.

The call comes ahead of the government's next fiscal statement and reflects wider pressure across the hospitality industry over labor costs, business rates and inflation. The BBPA said the 3.6% rise in beer duty that took effect in February has added £129 million a year to the cost base of British brewers. It also said that every additional 1% increase in duty removes £35 million in potential investment capacity from the sector.

The trade body said beer duty can account for as much as 40% of the wholesale price of beer. It added that the economics of the industry leave little room to absorb new costs, estimating that pubs make about 12 pence on a pint and brewers about 3 pence on a 500-milliliter bottle. Those figures were presented by the association as evidence that further tax increases would be hard to pass on without affecting jobs, prices or spending plans.

Emma McClarkin, the BBPA's chief executive, said the Budget is a chance for the government to support brewers, pubs and employment at a time when younger workers are struggling to find jobs. She said a duty freeze combined with a higher draught discount would mean more affordable pints, greater investment and more hiring. McClarkin also argued that British brewers face some of the highest beer duty rates in Europe, saying the burden is far above the level in countries including Germany and Spain.

According to the group's regional estimates, the South East of England would see the largest employment gain if the measures were adopted, with 1,066 additional jobs. The South West would follow with 900, then the North West with 789, London with 760 and the East of England with 675. The association presented those figures as part of its case that beer tax policy has effects beyond brewers and pub chains, extending to local labor markets and younger workers.

The BBPA’s intervention adds to a broader lobbying push from the sector before the Budget. The organization is also calling for a review of employment costs for young people, permanent reform of business rates and what it describes as a fairer value-added tax regime for pubs and hospitality businesses. Separately, JD Wetherspoon founder and chairman Tim Martin has urged the prime minister and chancellor to freeze alcohol duty, saying another rise would further strain pubs.

The jobs figure cited by the BBPA is an estimate of what could happen if the government accepts the proposal. It does not represent jobs already created, and it is not an official government forecast. The association did not publish the methodology behind the estimate, the baseline used for comparison or the projected cost to public finances from freezing duty and expanding draught relief. That means the claim cannot be independently assessed in full from the information released Thursday.

That caveat is important because the numbers come from a business group with a direct interest in the outcome of the policy debate. Its argument is that lower beer tax and more generous draught relief would lift demand, preserve margins and free up money for investment and hiring. But the proposal has not been approved, and the government has not yet set out whether it plans to change beer duty in line with the industry’s request.

The debate matters for the British pub trade because the sector has been under pressure for several years from rising costs and weak consumer spending. A tax change that reduces costs for brewers and pub operators could help some businesses hold prices or invest in staffing. At the same time, any such move would need to be weighed by ministers against the loss of tax revenue, an issue the BBPA did not quantify in its public case Thursday.