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UK wine and spirits industry faces mounting pressures as taxes and regulations threaten jobs and business stability

Sector generates billions and supports hundreds of thousands of jobs but leaders warn of closures without government relief

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The Wine and Spirit Trade Association (WSTA) has issued a strong appeal to UK policymakers, highlighting the mounting pressures facing the country’s wine and spirits industry. The call comes as the WSTA releases its new publication, Wine and Spirit

Trade in Focus, which details the sector’s economic significance and the challenges it faces ahead of the upcoming Autumn Budget.

According to the report, the UK wine and spirits industry generates £76.3 billion in economic activity each year and supports 412,000 jobs, with nearly two-thirds of those roles based in hospitality. Despite these figures, industry leaders warn that rising taxes, increased regulatory costs, and new levies are threatening the viability of many businesses. Miles Beale, chief executive of the WSTA, emphasized the urgency of the situation, stating that without relief from these financial burdens, more companies will be forced to close, leading to higher prices for consumers and further job losses.

The UK remains a major player in global drinks trade. In 2023, it imported 1.7 billion bottles of wine, making it the world’s second-largest wine importer by both volume and value. At the same time, British producers exported 1.5 billion bottles of spirits, securing the UK’s position as the top global exporter in that category. This international reach has made the sector attractive not only to consumers but also to trading partners and job seekers worldwide.

However, the WSTA report warns that this success is increasingly fragile. The industry’s economic contribution matches that of agriculture, forestry, and fishing combined when it comes to employment. Yet recent policy changes have put significant strain on businesses. A new duty regime, tax increases, and a glass packaging levy have all contributed to what industry representatives describe as historically high costs. The report notes that these measures have already led to staff redundancies and price hikes across the sector.

Despite these challenges, there are signs of resilience within the industry. The report highlights ongoing investments in environmental innovation by UK producers. Companies are adopting sustainable practices in packaging, logistics, and energy use even as profit margins shrink. The WSTA argues that government support is essential to maintain this momentum toward sustainability.

The release of Wine and Spirit Trade in Focus is timed to influence discussions ahead of the Autumn Budget. The WSTA hopes that by presenting clear data on economic impact and employment, it can persuade policymakers to reconsider further tax increases or

regulatory changes that could harm the sector.

Industry leaders stress that while pride remains in the UK’s global reputation for quality drinks production and export, frustration is growing over what they see as unsustainable policy decisions. The future stability of thousands of businesses and hundreds of thousands of jobs may depend on whether government officials respond to these concerns.

The full Wine and Spirit Trade in Focus report is available for download on the WSTA website.