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UK distillers warn of closures as spirits duty freeze urged ahead of budget

Industry leaders say rising taxes threaten small producers and local economies, call for genuine freeze to support sector’s survival

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Distillers from across the United Kingdom gathered at Westminster today to urge the government to freeze spirits duty in the upcoming Budget. The visit, organized by the All-Party Parliamentary Group on UK Spirits (APPG), comes as many in the industry

warn that further tax increases could threaten the survival of small and medium-sized distilleries.

The APPG, established in July 2025, is leading the call for a complete freeze on duty rates. Members argue that anything less than a true freeze—meaning no increase at all—will not be enough to support an industry they describe as “on its knees.” Carolyn Harris MP, chair of the APPG, addressed the issue directly, stating that distillers are facing some of their most difficult times in recent memory. She emphasized that a genuine freeze is needed, not an increase disguised as a freeze by tying it to inflation.

In the last Budget, spirits duty was frozen in line with inflation, which resulted in a 3.65% rise. This followed a 10.1% increase imposed by the previous Conservative government. Industry leaders say these consecutive hikes have put significant pressure on producers.

Kathy Caton MBE, founder and managing director at Brighton Gin, explained that her business does more than produce spirits. She said Brighton Gin contributes to the local economy by creating skilled jobs, supporting tourism, and promoting sustainability while building a global reputation for quality. However, she noted that repeated duty increases have made it difficult for artisanal spirits to remain affordable in local pubs and restaurants and have limited opportunities for growth.

Karl and Cathy Mason, directors of Masons Gin, echoed these concerns. They described being squeezed by rising National Insurance contributions, excise duty, and new sustainability requirements. According to them, these pressures are making it harder for their business to expand.

Ben and Kate Marston, co-founders and directors at Puddingstone Distillery, also spoke about the impact of high duty rates. They said that as small producers, they have seen how punitive taxes affect not only their own operations but also their entire supply chain—from farmers growing botanicals to craftspeople working in their distillery. The Marstons believe that with proper government support, British distilleries can continue to represent national excellence both domestically and abroad. They called for fair taxation policies that encourage innovation rather than hinder it.

Laurence Conisbee, director of Wharf Distillery in Northamptonshire, described how his team has felt the full effects of what he called a broken duty system. As one of England’s smallest whisky distilleries, Wharf has struggled with what Conisbee described as “eye-watering” tax increases. He argued that these increases are blocking growth in one of the UK’s most promising sectors.

The distillers’ visit to Westminster highlights growing concern within the industry about future tax policy. Many producers say they are already struggling with rising costs and increased regulatory demands. They argue that without immediate action from the government—a real freeze on spirits duty—the sector could see further closures and job losses.

The government has not yet commented on whether it will consider a full freeze on spirits duty in the upcoming Budget. Distillers hope today’s meetings will persuade lawmakers to take urgent action to protect an industry they say is vital for local economies and British exports.