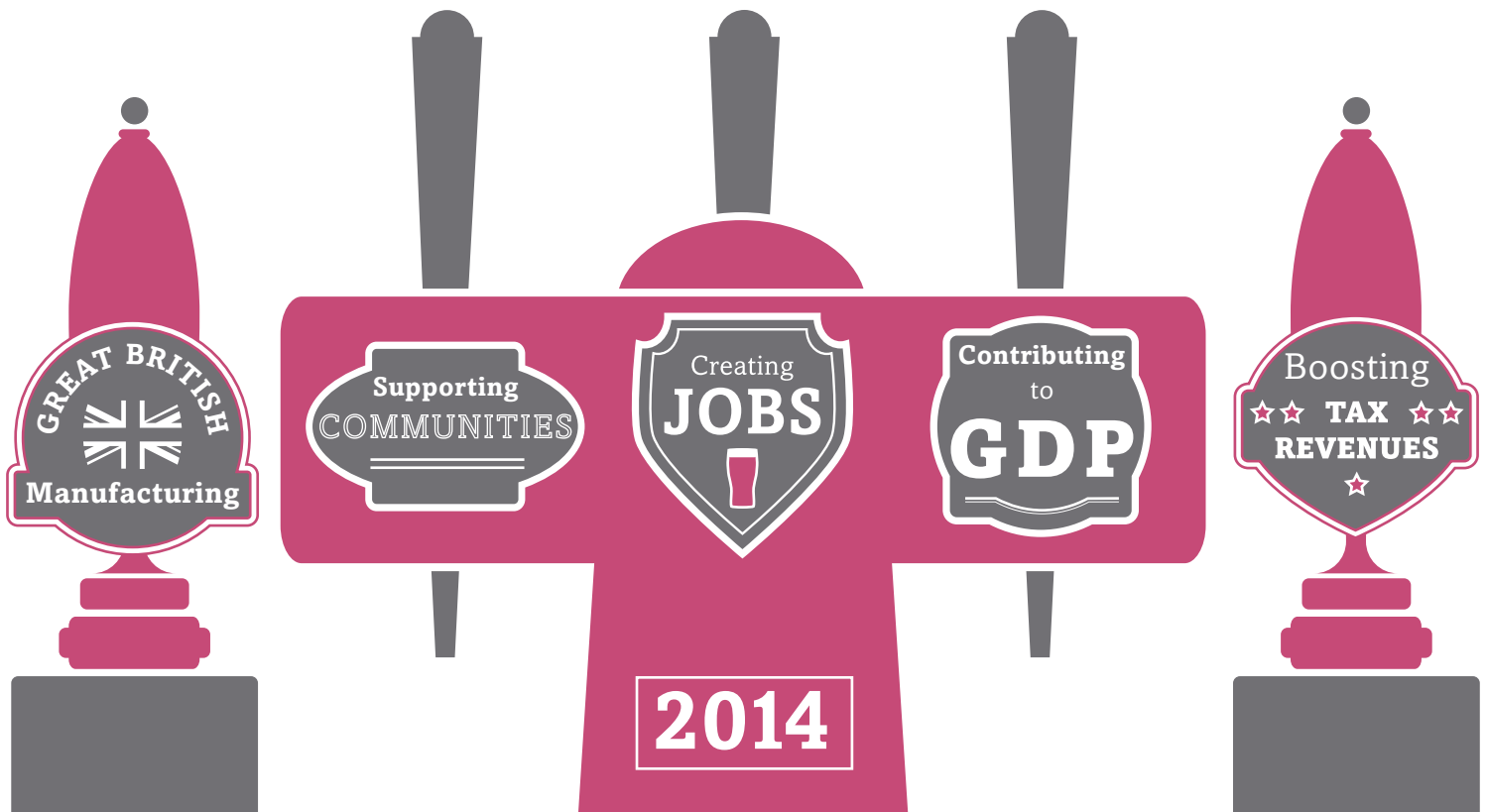


THE BEER STORY

Facts on tap



WHY DO BEER & PUBS MATTER?

UK PLC

Beer is a British product and a major tax contributor. There are now over 1,100 breweries in the UK.

Beer and pubs contribute £22bn to UK GDP and generate £11bn in tax revenue.

JOBS

The production and sale of beer creates jobs in agriculture, brewing, pubs and the wider supply chain.

In total the beer and pub sector supports over 900,000 jobs.

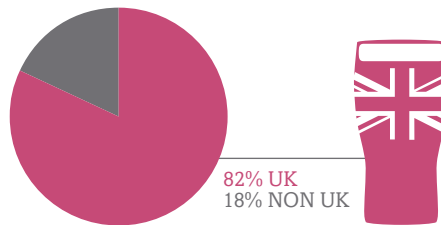
46% of those employed in the pub sector are 16 to 24 year olds; the majority are female, providing vital flexible working.

RESPONSIBLE DRINKING

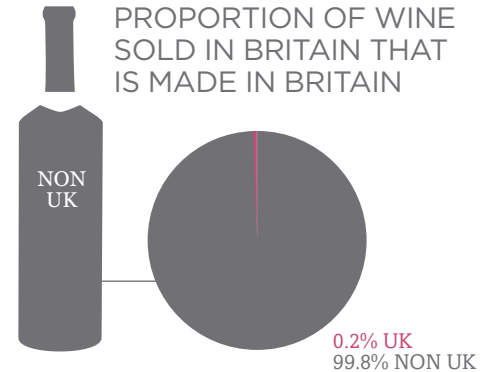
The beer and pub sector is working with the Government to reduce alcohol abuse.

UK alcohol consumption has decreased by 16% since 2004. Harmful and underage drinking have also fallen sharply.

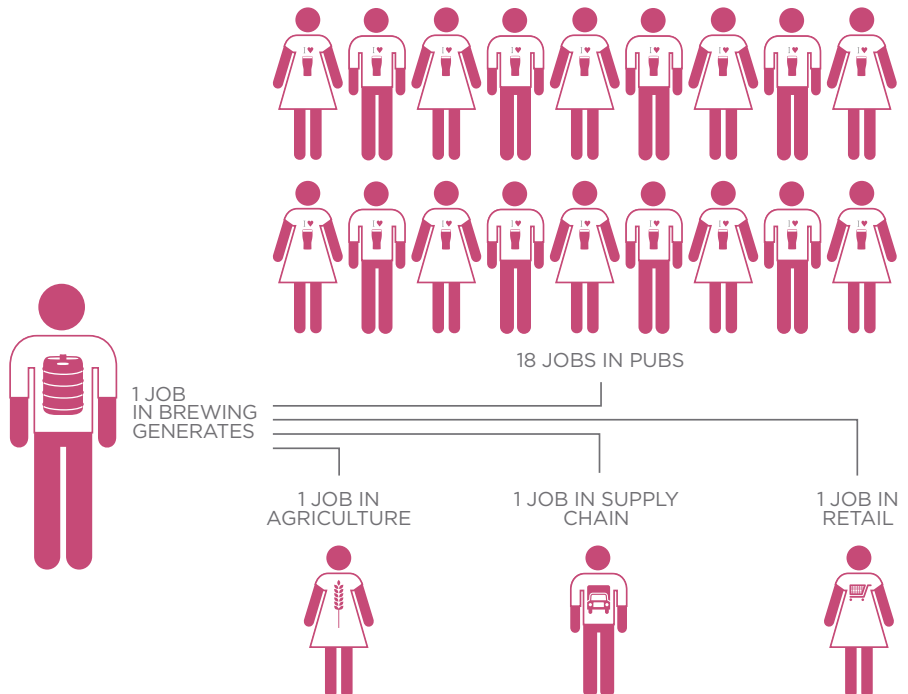
PROPORTION OF BEER SOLD IN BRITAIN THAT IS MADE IN BRITAIN



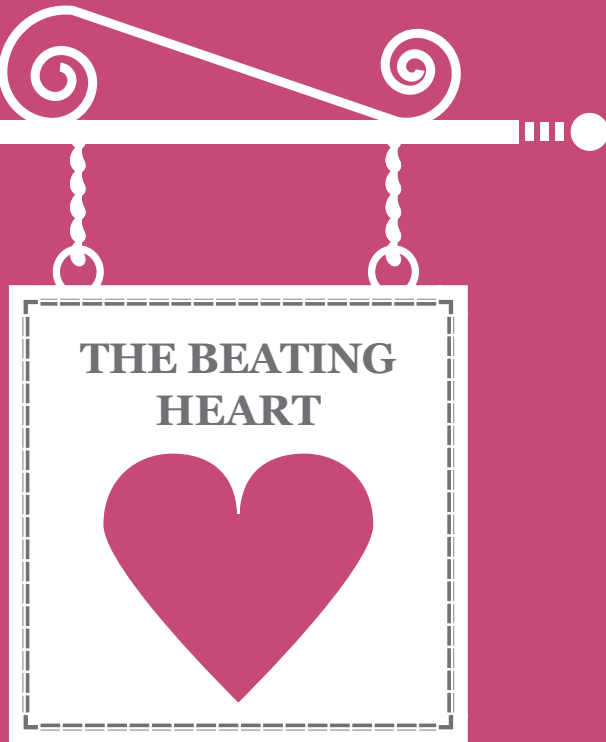
PROPORTION OF WINE SOLD IN BRITAIN THAT IS MADE IN BRITAIN



HOW BEER CREATES JOBS



PUBS AT THE HEART OF THE COMMUNITY



BEER SUPPORTS PUBS

At the heart of every pub is beer, mostly British-brewed, often locally. Beer is enjoyed by millions of UK adults. Keeping pints affordable is the best way to support community pubs.

BRINGING PEOPLE TOGETHER

Pubs play a unique role in national life. Friends are made and communities come together in pubs. Almost 1 billion pub meals are sold annually.

VIBRANT SMALL BUSINESSES

Pubs boost local economies by an average of £80,000 per year. Nearly 90% are community or rural pubs, bringing jobs to parts of the UK that need them most.

PROVIDING COMMUNITY SERVICES

Many pubs run vital public services such as post offices, local shops and broadband internet access, as well as putting on community events and cultural activities.

A PARTNERSHIP APPROACH

Pubs provide safe, supervised drinking environments. Pubs, the police and local authorities work together to tackle alcohol misuse.

For every 10 drinks sold in a pub...



7 = beer



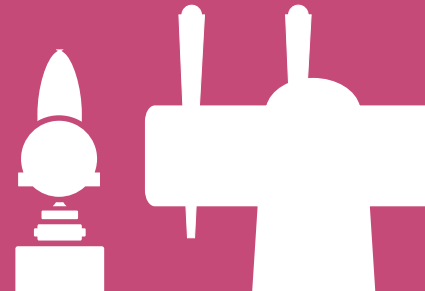
1 = wine



1 = cider



1 = spirits



GLASS HALF FULL

BITTER MEMORIES

The beer duty escalator (2008-2013) meant beer tax automatically increased by 2% above inflation every year. This caused immense damage to the sector and squeezed the pockets of ordinary people.

Beer duty is particularly regressive, hitting those on lowest incomes the hardest.

An escalating problem from 2008-2013:

- Beer duty increased by 42%
- Beer duty revenues increased by only 12%
- Beer consumption fell by 21%
- 7,000 pubs closed
- 58,000 jobs were lost

TURNING POINT

The decision to scrap the escalator and cut beer duty by 1p at the 2013 Budget was cheered by pubs and Britain's 32 million beer drinkers.

The duty cut has already boosted confidence, investment and employment in the sector.



THE 2013 BUDGET

SECURED

10,000
vital jobs across the country

Boosted confidence with
companies now committed to invest

over £400 million
in the next 12 months

INCREASED

Beer sales
maintaining the Treasury's total
tax take from beer

PENNY OFF DUTY - POUNDS IN POCKETS

The sector has worked hard to pass on the recent duty saving, helping people to afford a hard-earned pint at the end of their day.

The duty cut in the 2013 Budget will save beer drinkers over £700 million in the next two years.

A TAXING PROBLEM

ROOM FOR IMPROVEMENT

The 2013 Budget recognised the unique economic and social value of beer and pubs. **But, after years of above inflation duty increases, beer is still overtaxed. In 2012 Britons paid 43% of all EU beer duties.**

A PENNY MORE... A PENNY LESS

It will take many years to undo the impact of the beer duty escalator.

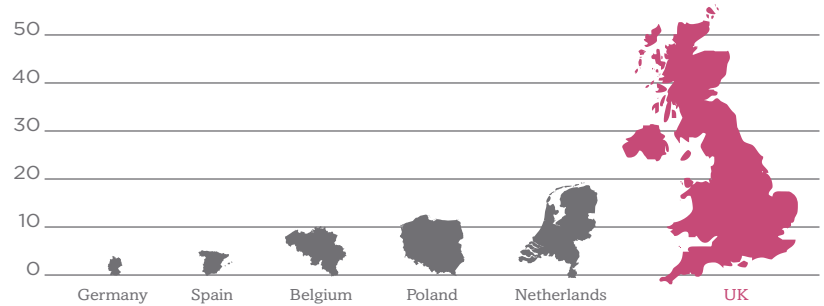
The planned 2.8% beer duty increase in the 2014 Budget will undermine last year's 2% cut for British consumers.

MAINTAINING THE MOMENTUM

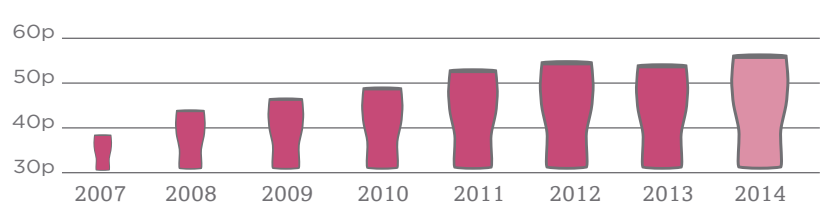
Even with last year's duty cut, the industry is under severe pressure.

Any future tax increases will curtail renewed ambition, damage jobs and inhibit investment in manufacturing and skills.

BEER DUTY RATES IN TOP 6 EU BREWING NATIONS
(PENNY PER PINT OF 5% ABV BEER)



DUTY PER PINT OF 5% ABV BEER



NET INCOME PER PINT FOR
BREWERS VS GOVERNMENT



WHAT SHOULD GOVERNMENT DO?



1. PUT BEER DUTY ON ICE


A long-term duty freeze will help hard-working men and women struggling with the cost of living. It will also boost growth in this uniquely British supply chain – from the barley fields to the local pub and across the growing export market.



2. REBALANCE ALCOHOL TAXATION

The Government should continue to rebalance the duty system and encourage people towards lower-strength, British-made drinks.

A LONG-TERM FREEZE IN BEER DUTY WILL SECURE THOUSANDS OF JOBS

 = 100 jobs



2,400 jobs
secured in 2014/15



18,000 jobs
secured by 2020