

Chancellor spares booze but hits customers

The austerity Budget has introduced the new highest ever rate of VAT which will increase prices in pubs and bars by 2% or more. There is no increase in excise duty and there is the reversal of the cider tax increase decision. The broad swathe of the decisions announced huge cuts in spending and it is these cuts – from benefits and allowances that will affect very many individuals and their discretionary spending.

Nick Bish, *ALMR's* Chief Executive, said “The industry will be relieved that it was spared any particular attention from the Chancellor and although the VAT increase is swingeing it is no more than was widely forecast. But our customers will certainly have less money in their pocket so the task of competing for their business will be more acute than ever.” He added “ and we notice that the VAT-driven differential between the price of a pint from the supermarket and across the bar counter is yet again widened.”

He continued, “The focus of our lobbying with government is now to seek relief from regulatory interference and red tape. We can take our share of the general debt reduction burden and we will contribute to employment and to the prosperity of small businesses, but only on the basis that pubs and bars and restaurants are given room to succeed. We are definitely part of the solution.”

ENDS

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