

## ***Closed Pubs Don't Pay Tax***

4<sup>th</sup> March 2009

**Release: Immediate**

The Treasury could be £217 million worse off this year thanks to its recent inflation busting alcohol duty hikes, pub and bar trade body the Association of Licensed Multiple Retailers (*ALMR*) said today.

HMRC duty receipt figures show that, in January, the Government collected the lowest amount of revenue from alcohol duty for seven years. This is despite its decision to hike duty rates in March last year and then again in the Pre-Budget Report in November, a total increase of an eye watering 17%. Projected over the course of 2009, this would mean that the Treasury could miss out on £217 million, as drinkers stay away from Britain's pubs and bars.

These figures follow last week's news from the British Beer and Pub Association (BBPA) that a further April rise, on top of the 2008 rises, would lead to a drop in revenue for the Treasury of £1.6 billion.

The *ALMR* is calling for the Government to take heed of this new evidence ahead of the Budget, saying it proves that the alcohol duty escalator leads to less, not more, revenue in the long run. Later today, the Association will highlight the impact of duty, red tape and employment costs to Britain's pubs and bars to the All-Party Parliamentary Beer Group's Ministerial summit.

Commenting, *ALMR* Chief Executive Nick Bish says:

"The Government's own figures speak for themselves – the alcohol duty escalator means that the Treasury is losing money and killing pubs in the process.

"Messrs Brown and Darling need to take a long hard look at these figures and realise that their twice yearly raids on pub and bar tills are not doing them any

good. All they are doing is putting more and more of Britain's hard working publicans out of business and their staff out of work.

"Unlike the big supermarkets that are thriving during this recession, pubs don't bully suppliers into absorbing the cost of duty rises. As a result, the added expense of drinking by the bar is forcing punters away, leading to less business for pubs and less revenue for the Government.

"It's time for these duty rises to stop. The evidence is clear. Closed pubs don't pay tax."

<<ENDS>>

### Notes for editors

- UK Statistics published the latest figures for alcohol duty last week. The figures show that duty take in January 2009 was £621m, down by 2.5% from £637m in January 2008. This was the lowest January take since 2002, when £572m was collected. Statistics can be found online at <https://www.uktradeinfo.com/index.cfm?task=bulletins>
- A 2.5% drop in revenue from 2008 levels (£8,689bn) would equate to a £217,225,000 shortfall for HMT
- *ALMR* will present to the All Party Parliamentary Beer Group (APPBG) ministerial summit in Parliament on the 4<sup>th</sup> March. Culture, Media and Sport minister Gerry Sutcliffe, Home Office minister Alan Campbell, Health minister Dawn Primarolo, Treasury minister Angela Eagle and Communities and Local Government minister John Healey will attend, along with 70 MPs.
- *ALMR* is the only national trade body solely dedicated to representing the interests of pub and bar operators, and to providing them with business support and advice. It has almost 100 member companies, operating over 15,000 outlets.

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