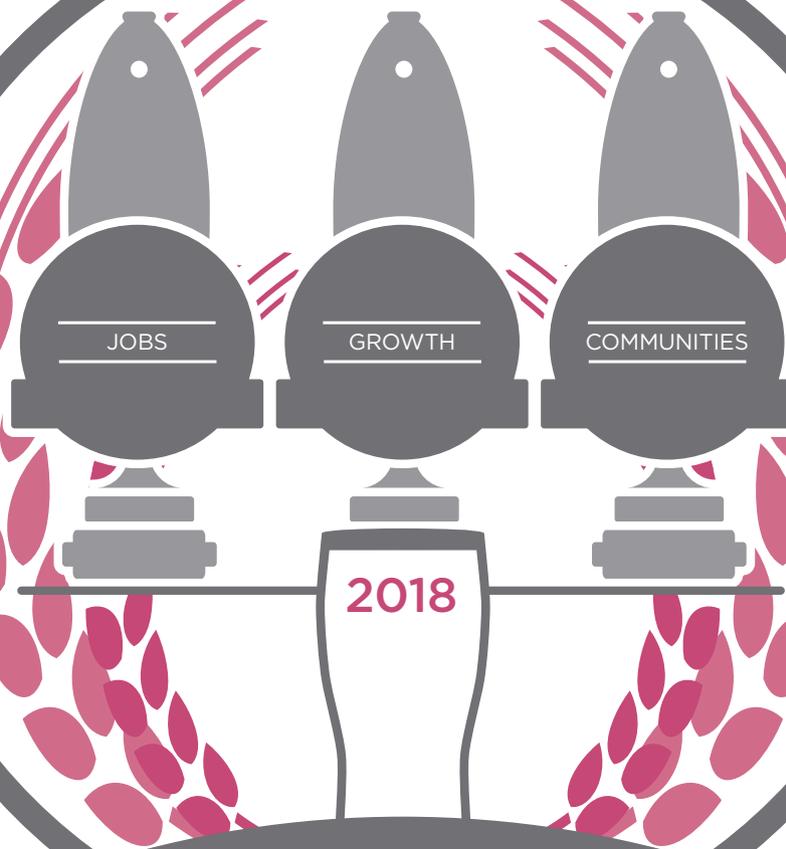


THE BEER AND PUB STORY



Facts on Tap



WHY DO BEER & PUBS MATTER?

UK PLC

Over 2,000 breweries in the UK which export 1 billion pints to 110 countries. Beer is one of the top three British food and drink exports.

Beer and pubs contribute £23bn to UK GDP and generate £13bn in tax revenue.

JOBS

Over 150,000 people have started apprenticeships in hospitality and catering in the last five years and the sector provides hugely rewarding career opportunities. Almost 1 billion pub meals are sold annually.

In total the sector provides almost 900,000 jobs.

43% employed in pubs are 16-24 year olds.

One sixth of the pub workforce are non-UK nationals.

DOMESTIC CONSUMPTION



WHERE IS THE BEER SOLD IN BRITAIN MADE?

82% - UK
18% - NON-UK

BRITISH EXPORTS - ON THE UP

- 1 NORTH AMERICA
220million pints p.a
- 2 EUROPE
Worth over £230m
- 3 CHINA
100% volume growth in 2017
- 4 SOUTH AMERICA
Value up 82% since 2009



HOW BEER CREATES JOBS



18 JOBS IN PUBS



1 JOB IN BREWING GENERATES

1 JOB IN AGRICULTURE

1 JOB IN SUPPLY CHAIN

1 JOB IN RETAIL



1 BILLION MEALS SOLD ANNUALLY





PUBS AT THE HEART OF THE COMMUNITY

Keeping pints affordable is the best way to support community pubs

For every ten alcoholic drinks sold in a pub...

7
are
BEERS



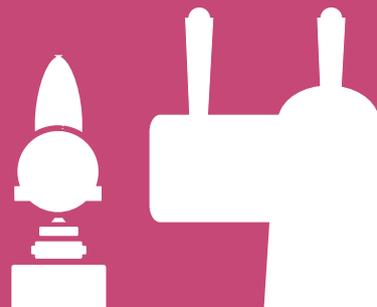
1
is
WINE



1
is
CIDER



1
is
SPIRITS



BRINGING PEOPLE TOGETHER

Pubs play a unique role in British culture throughout the UK. Friends are made and communities come together in pubs.

VIBRANT SMALL BUSINESSES

Pubs boost local economies by an average of £100,000. Around 85% of pubs are community or rural pubs, bringing jobs to parts of the UK that need them most.

SUPPORTING HARDWORKING COMMUNITIES

We have worked hard to ensure that beer has remained affordable, helping people buy a hard-earned pint at the end of the day across Britain. As well as being social hubs, 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.

AMBASSADORS FOR BRITAIN

For our tourism industry, pubs are a leading attraction and contribute to positive perceptions of the UK. The Government features pubs in its global GREAT Britain promotional campaign. Around 14 million (a half) of all holidaymakers from overseas visit the pub each year, one of the top three places to visit for tourists.

RESPONSIBLE DRINKING

Pubs provide safe, supervised drinking environments. Beer is a relatively low alcohol social drink and consumed in moderation can be very much part of a healthy lifestyle and diet. Industry are working with the Government, police and local authorities to tackle alcohol misuse and promote local partnerships. Soft drinks are also an increasingly important part of the offering in pubs. Harmful drinking and underage drinking have fallen sharply over the last decade.

A TAXING AND ESCALATING PROBLEM

BEER DUTY

The beer duty freeze in late 2017 was a welcome measure after the damaging 3.9% increase in March of that year.

Modest cuts and freezes in beer duty, totalling 6%, between 2013 and 2016 had recognised the economic and social importance of beer and pubs and secured over 20,000 vital jobs. This put money back in the pockets of consumers and led to much needed new investment in pubs.

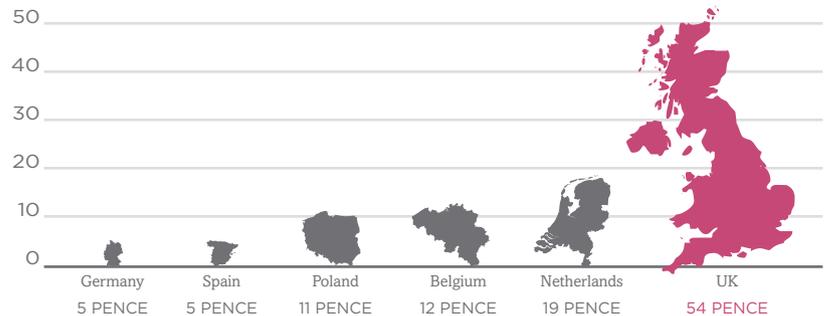
This followed a period of crippling increases of over 42% between 2008-2012 which contributed to thousands of pub closures, job losses and diminishing returns for Government.

Beer remains overtaxed. Britons pay nearly 40% of all EU beer duty and only consume 12% of the beer.

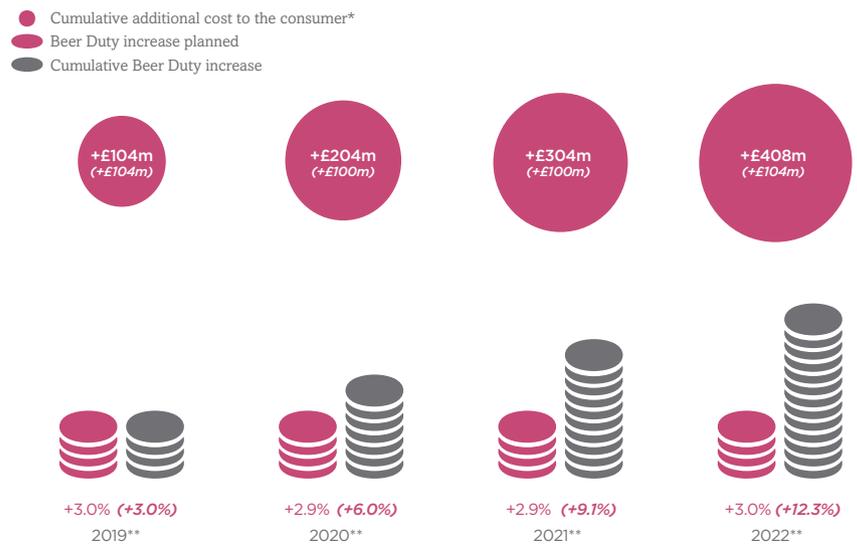
This is set to get worse with further increases already planned totalling 12% in just four years, an eye-watering £408m of extra tax on hard-working consumers - putting at huge risk new investment in British brewing and pubs.

By using the discredited RPI inflation measure (rather than CPI) this alone is adding over £140m to the costs to consumers over this period.

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



BEER TAX INCREASES 2019-2022



Source: (*Based on current sales. **OBR forecasts for RPI, BBPA).

A DISPROPORTIONATE BURDEN

BUSINESS RATES

Already, 32p in every £1 spent in the pub goes to the taxman - a whopping £140,000 per pub.

On top of the inflation-busting tax rises planned on its number one selling product, pubs face additional regulatory challenges at a time of great uncertainty.

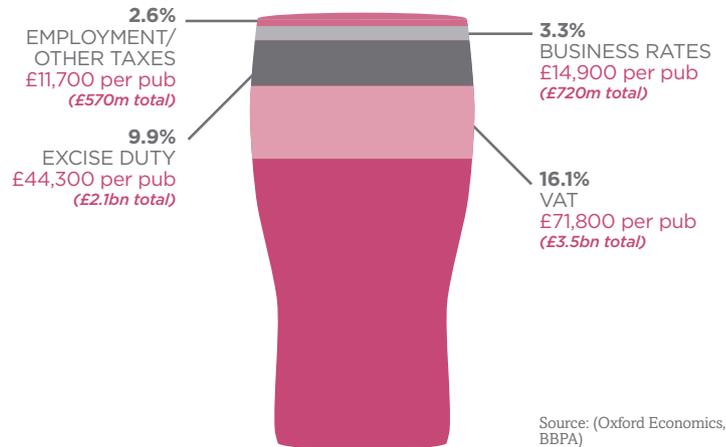
As people and property-based businesses, pubs are absorbing major new costs, in the form of the national living wage, pension auto-enrolment, and business rates changes.

Business rates impact pubs harder than any other sector. The sector already pays 2.8% of the overall business rates bill but accounts for only 0.5% of business turnover - an overpayment of £500m. Per pound of turnover pubs pay more in rates than any other business sector.

Following the 2017 revaluation, many pubs faced further significant increases. In recognition of this, a very welcome £1,000 pub-specific relief was introduced in 2017 and extended through 2018. However this relief is currently scheduled to end this year and is a temporary respite from a major and escalating problem.

The ending of specific reliefs will mean pub rates bills will rise by over £2,000 per pub in the next three years. This will put the viability of many more pubs at risk.

ONE IN THREE POUNDS SPENT IN PUBS GOES TO THE TAXMAN



BUSINESS RATES TIME BOMB

- Annual average change in business rates per pub
- Cumulative change in business rates per pub



Source: (GB Rating Agencies, BBPA)

WHAT IS NEEDED?

1

ACTION ON BEER DUTY:

- A MODEST CUT IN BEER DUTY
- INCREASE THE THRESHOLD FOR REDUCED BEER DUTY ON LOWER STRENGTH BEER

AND

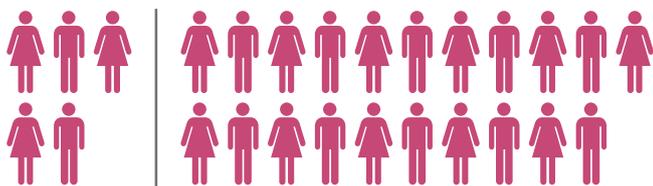
2

ACTION ON BUSINESS RATES:

- EXTEND AND INCREASE PUB-SPECIFIC RATE RELIEF
- BRING FORWARD INVESTMENT AND COMMUNITY SERVICES RELIEF
- INTRODUCE A DIGITAL LEVY IN 2020 TO SIGNIFICANTLY CUT BUSINESS RATES MULTIPLIER

Which will lead to...

THOUSANDS OF ADDITIONAL JOBS

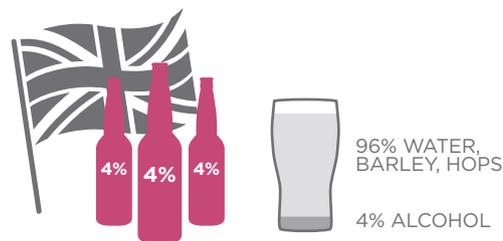


5,000 IN 2019/20 FROM A ONE PENNY BEER DUTY CUT

21,000 IF DUTY CUT EACH YEAR UNTIL 2022

 = 1000 JOBS

SUPPORTING LOWER-STRENGTH BRITISH-MADE DRINKS AND THE GREAT BRITISH PUB



BOOSTING INWARD INVESTMENT AND EXPORT GROWTH AS WE APPROACH BREXIT



A PINT IN THE PUB REMAINING AN AFFORDABLE PLEASURE FOR ORDINARY WORKING FAMILIES

