

# IMPORTANT CHANGES TO ALCOHOL DUTY

from 1<sup>st</sup> February 2025



Following the New Labour Budget, announced on **30th October 2024**, alcohol duty legislation is changing in the UK. This involves the movement of duty bandings for all categories and products, which has driven a number of changes across multiple products. We're here to help answer any of your questions regarding these changes and hope to help with the following information:

## WHAT'S CHANGING?

- The UK Government is updating alcohol duty rates.
- Duty rates for all alcoholic products will change, **increasing by 3.65%**.
- Draught products (kegs and casks) will receive **additional duty relief** (those between 0.1% and 8.4% ABV)
- The **temporary tax relief on wines (11.5%-14.5% ABV) will end**, meaning duty will now be based on exact alcohol content.
- Duty on spirits, sherry, port, and cream liqueurs will **increase** slightly.

## HOW WILL THIS AFFECT ME?

- You will see price changes on alcoholic products from **1st February 2025**.
- Draught beer and cider will generally see **small duty reductions**, as part of the government's commitment to supporting the on-trade.
- Bottled and canned products will have **slight increases** in duty.
- Wine prices will be adjusted **based on their exact ABV**.

## EXAMPLES FOR BEER & CIDER CHANGES:

BEER (11G Keg)	ABV	Current Duty	New Duty - from 01/02/25	Difference	Price Per Pint
	3.4%	£8.42	£8.28	-£0.24	-£0.003
	4%	£19.08	£18.76	-£0.64	-£0.007
	5%	£19.08	£18.76	-£0.80	-£0.009
	8.5%	£28.50	£29.54	+£1.77	£0.020

CIDER (11G Keg)	ABV	Current Duty	New Duty - from 01/02/25	Difference	Price Per Pint
	3.4%	£8.42	£8.28	-£0.24	-£0.003
	4%	£8.78	£8.63	-£0.30	-£0.003
	5%	£8.78	£8.63	-£0.37	-£0.004
	8.5%	£19.08	£18.76	-£1.28	-£0.015

PACKAGED BEER (24 x 330ml)	ABV	Current Duty	New Duty - from 01/02/25	Difference	Price Per Bottle/Can
	3.4%	£9.27	£9.61	+£0.09	+£0.004
	4%	£21.01	£21.78	+£0.24	+£0.010
	5%	£21.01	£21.78	+£0.30	+£0.013
	8.5%	£28.50	£29.54	+£0.70	+£0.029

PACKAGED CIDER (24 x 330ml)	ABV	Current Duty	New Duty - from 01/02/25	Difference	Price Per Bottle/Can
	3.4%	£9.27	£9.61	+£0.09	+£0.004
	4%	£9.67	£10.02	+£0.11	+£0.005
	5%	£9.67	£10.02	+£0.14	+£0.006
	8.5%	£28.50	£29.54	+£0.70	+£0.029

## EXAMPLES FOR WINE CHANGES, DEPENDING ON ABV:

WINE	ABV	Current Duty	New Duty - from 01/02/25	Difference Per 75cl Bottle
	11%	£2.35	£2.44	+£0.09
	11.5%	£2.67	£2.55	-£0.12
	12%	£2.67	£2.66	-£0.01
	12.5%	£2.67	£2.76	+£0.09
	13%	£2.67	£2.88	+£0.21
	13.5%	£2.67	£2.99	+£0.32
	14%	£2.67	£3.10	+£0.43
	14.5%	£2.67	£3.21	+£0.54
15%	£3.20	£3.32	+£0.12	

## OTHER CATEGORIES:

Category	ABV	Current Duty	New Duty - from 01/02/25	Difference
Spirits (70cl)	37.5%	£8.30	£8.60	+£0.30
Spirits (70cl)	40%	£8.85	£9.18	+£0.33
Sherry (75cl)	15%	£3.20	£3.32	+£0.12
Port (75cl)	20%	£4.27	£4.43	+£0.16
Cream Liqueur (70cl)	17%	£3.39	£3.51	+£0.12

## WHAT SHOULD I DO NEXT?

- **Plan ahead** – consider placing bulk orders before 1st February to benefit from current prices.
- **Review your pricing** – request updated price lists from all of your suppliers and adjust your pricing and margins accordingly.
- **Consider lower ABV & draught options** – lower ABV drinks/draught products may be more cost-effective under the new duty system.

## HOW CAN DAYLA HELP?

- Our **Account Managers** & **Wine Development Managers** are available to guide you through these changes.
- We can suggest **alternative products** to help manage costs.
- We're here to support you – reach out with any questions!

*For more details or assistance, please contact your Dayla Account Manager.*