

British drinkers warned to prepare for higher alcohol prices from next week

From February 1, new duty rates on wine and spirits will be implemented, leading to a price hike for most alcoholic beverages.

The introduction of a new sliding scale of duties means that wines with higher alcohol content will see the most significant increases; for instance, the duty on a wine with 14.5% ABV (alcohol by volume) is set to rise by 20%, equating to an additional 54p, as reported by [City AM](#).

Conversely, duties on wine at 11.5% ABV will decrease by 5%, but all other ABV duties on wine and spirits are expected to increase.

Most wine businesses utilise a duty-paid warehouse model, which suggests that the impact of these changes will permeate the market gradually as companies begin importing wines from their suppliers.

“There are no winners under the UK’s punishing alcohol tax regime – higher duty rates mean people buy less which results in reduced income to the Exchequer, businesses are being squeezed and consumers have to pay more,” remarked the chief executive of the Wine and Spirit Trade Association (WSTA).

Last year saw Majestic, Laithwaites, The Wine Society, and Cambridge Wine Merchants, among others, initiate a poster campaign opposing the alterations to the excise duty system.

“We firmly believe the system that is set to be introduced fails on both counts – it is more complex and will be much more costly. Businesses like ours will need to invest six-

figure sums just to develop the systems required to handle the new approach, with ongoing administrative costs likely to run into similar sums on an annual basis,” the firms cautioned.

UK alcohol sales have been experiencing a consistent downturn since 2023, largely due to the cost-of-living crisis and Gen Z’s growing preference for low or non-alcoholic beverages. The surge in wine and spirits prices is also believed to be a contributing factor.

Duties are determined based on retail price inflation, leading to 2023 witnessing the most significant alcohol tax increase in half a century – with a 10 per cent rise for spirits and beer and a 20 per cent hike for most wines. According to recent HMRC data, tax revenues from alcohol have dropped by £209m in this financial year.

City AM has reached out to the [Treasury](#) for a response.

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