

Alcohol duty freeze extended for further six months, Treasury minister says

A freeze on alcohol duty has been extended for a further six months amid accusations of a [Government](#) “U-turn”.

Treasury minister James Cartlidge told the [Commons](#) the extension would give “maximum certainty” to the industry ahead of challenging times, and would avoid multiple changes in a year when the Government also plans to reform the alcohol duty system.

But while [Labour](#) said the sector would welcome the announcement, the party branded it a “U-turn” and said claims to be providing certainty were “laughable”.

“The previous chancellor announced a freeze, the current Chancellor scrapped it, and now it’s back on. How did we get here?” shadow Treasury minister Abena Opong-Asare said in the Commons.

Chancellor [Jeremy Hunt](#) laid the ground work for prices to up when he announced in October that the Government would reverse a raft of tax cuts promised by predecessor Kwasi Kwarteng’s much-criticised mini-budget earlier in the year.

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Mr Kwarteng had committed to freezing alcohol duty from February 2023.

Despite Mr Hunt in October scrapping the plan to freeze alcohol duty, the Government announced on Monday that it would instead extend the freeze until August.

Mr Cartlidge said: "Today I can confirm that the freeze to UK alcohol duty rates has been extended six months to August 1, 2023.

"Whilst new duty rates typically come in each year on the first of February, I can confirm that the Chancellor will instead make his decision on future duty rates at spring budget 2023 to give businesses certainty and time to prepare.

"To further support the industry, we are going further by confirming that if changes to duty are announced then they will not take effect until August 1, 2023.

"This is to align with the date the historic forms of alcohol duties come into force and amounts to an effective six-month extension to the current duty freeze.

"Most importantly, to minimise the burden on business, it avoids the sector having to deal with multiple changes to duty rather than one.

"The alcohol duty reforms will help create a simpler, fairer and healthier duty system."

He added: "By saying to the industry that they will face just one single, industry-wide change next summer, rather than two or more over the course of the year, we are giving maximum

certainty to industry.

["Hospitality"](#) is a major part of the economy, and while these remain challenging times, we are doing everything we can to support individual hospitality businesses of every size so that they can have a prosperous new year."

Responding, Labour's Ms Opong-Asare told the Commons: "I know that this sector will welcome this announcement, especially given the difficulty that businesses are facing at the moment, whether they are producers, suppliers, or hospitality venues.

"But I must say it is absolutely laughable that the Government has announced this change in the name of certainty.

"We should call it what it is: it is a U-turn. The previous chancellor announced a freeze, the current Chancellor scrapped it, and now it's back on. How did we get here?"

She added: "So, we see again the Government has no long-term plan for the British economy. They cannot provide the certainty businesses and their hard-working employees need to plan for the tough winter ahead. They have left businesses and consumers out in the cold."

Mr Cartlidge told MPs: "This is good news. It's good news for every single sector in our alcohol industry, it's good news for those who drink in our pubs. The crucial thing is it gives certainty to the industry."

He added: "She talks about a U-turn. Just to be clear, we said we would introduce a radical reform of alcohol duty. We are going to introduce that reform.

"It will come in place next August. It's a reform that couldn't have happened if we hadn't left the European Union. It will introduce for the very first time differential duty rates on tap and in the supermarkets."

The British Beer and Pub Association welcomed the decision.

Its chief executive, Emma McClarkin, said: "The decision to extend the freeze on beer duty will be welcomed by pubs and brewers alike. In 2022 our industry has faced pressures and challenges like never before.

"This freeze will allow £180 million to be reinvested into our sector at a critical moment and inject a much-needed flurry of festive cheer for pubs and breweries. It shows the Government understands just how much our pubs and brewers mean to communities across the UK."