

Brewers and pub owners may have to push up prices as business costs soar

Costs for pubs and brewers are spiralling, those in the industry say, with price rises possible for consumers as a result.

The Society of Independent Brewers (SIBA) says that the cost of essentials such as fuel, CO₂, energy, bottles, cans, and packaging are making it impossible for small independent breweries to recover from pandemic-related restrictions.

Businesses have reported a 73% increase in the cost of CO₂, 57% increase in the cost of brewery energy, a 20% rise in the cost of beer cans and a 22% rise in the cost of cardboard packaging.

The society's chief executive James Calder said that the number of breweries in the UK fell in 2020 for the first time in over a decade.

He said that the government needed to stop burdening small breweries with tax rises or face a "time-bomb of brewery closures in the New Year".

Advertisement

"Even where pubs have already increased prices this has not been passed on to brewers and whilst nobody wants to see the price of a pint rise to an unappealing level, what we really don't want to see are widespread brewery closures that will see consumer choice plummet," Mr Calder said.

He added that one brewery in Lancashire had seen its water supply costs rise by 220% over the last six months – a huge increase for a business which uses an average of six pints of

water to make each pint of beer.

More from Business



Key budget announcements: Alcohol, fuel and tax changes revealed in chancellor's statement



Budget 2021 live: Rishi Sunak delivers budget – with all eyes on potential 'rabbit out of a hat'



Budget 2021: Rishi Sunak sets out plans for 'new economy' after COVID – but issues warnings on inflation and tough months ahead

And recently announced [rises in the national minimum wage](#) and [national insurance contributions](#) will put further pressure on the sector.

Roy Allkin, SIBA's national chairman who owns Boss Brewing in

Swansea, said: "As a nation we all want to get back to work and back to some kind of normality, and as the cost of living rises employees need to be treated fairly and have wages which reflect inflation, but these changes cannot be viewed in isolation and come as part of a whole host of cost increases for small breweries.

"Many brewing businesses are reaching breaking point and where businesses close, many thousands of local jobs across the UK will be lost."

City Pub Group's boss Clive Watson, meanwhile, said that the rise in the national living wage would cost the group about £1m a year.

He told the BBC that the price of beer "would probably have to go up by 25 to 30p a pint" to take account of that, along with other increasing costs.

The group survived the pandemic by putting 99% of staff on the government's furlough scheme but they now needed a "road to recovery", Mr Watson said.

"We want to do our bit – it's very important, but at the same time we don't want everything going up the whole time, because all that will do is stoke inflation," he added.