



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Caroline Lucas MP
House of Commons
London
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18 FEB 2016

Dear Caroline,

Thank you for your letter of 8 February on behalf of your constituents about beer duty.

The Government continues to keep all taxes under review and decisions on tax policy are a matter for the Chancellor as part of the Budget process. Different countries set different duty structures and any changes to beer duty would need to take account of a wide range of factors. This includes the Exchequer impact, the impact on businesses, public health and the distributional impact of reform. I welcome your views and can assure you they will be considered carefully ahead of Budget.

The Government continues to support the beer industry across the UK. That is why we took action at spring Budget 2015 to cut the tax on a typical pint of beer by a penny for the third year in a row. Following the Government's beer duty cuts, the British Beer and Pub Association reported that 96% of their members reduced or froze their prices ensuring confidence for people drinking beer in their local pub.

The Government recognises the important contribution pubs make to promoting responsible drinking, providing employment and contributing to community life. The support pubs receive has helped protect jobs and increase investment into brewing and pubs. This has been evident in a report published by the Centre for Economics and Business Research that has shown over a thousand pubs saved and 26,000 jobs created compared to the situation had the duty escalator remained in place.

Please pass on my thanks to your constituents for taking the trouble to make us aware of these concerns.

Yours ever
Damian

Damian Hinds
Exchequer Secretary to the Treasury