



Jersey Hospitality Association

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Dear Senator Moore,

Thank you for this opportunity to submit the views of the Jersey Hospitality Association (JHA) to the Government Plan Review Panel.

The JHA is Jersey's independent trade association, with sole focus on the hospitality industry and has a membership of more than 300 from all areas of the industry.

### **Excise Duty**

We are concerned to see that once again, the Government is planning to increase the excise duty on alcohol. The industry has endured several years of damaging duty increases, and due to the pandemic, businesses have faced what is effectively five winter seasons in a row.

The JHA is pleased to see that beer and cider are not affected in the Plan, however, wines and spirits will see a 5% increase in 2022.

The JHA notes that the stated position in the Plan regarding revenue measures follows advice given by the Fiscal Policy Panel. That advice was not to implement significant revenue raising measures and yet the Government is planning to hit drinkers of wines and spirits once again with a targeted, above inflation increase in excise duty.



The JHA firmly believes any increase in duty will further increase the costs of doing business at a time when the pandemic is still having an effect.

The JHA is also concerned that pushing up the price of duty-paid spirits will encourage more people to purchase the cheaper Duty Free alternatives, especially as the restrictions on travel are eased. This will also have an impact on the amount of revenue the Government will expect to make from the excise charged on duty-paid sales.

### **Current Economic Realities**

Prices are rising across the board due to supply chain issues, staffing shortages and the combination of Covid-19 and Brexit. The JHA notes that following a States Assembly decision in 2020, 'happy hour' drinks promotions could still be introduced, subject to a review the Jersey Competition and Regulatory Authority. That measure, although well-meaning, could destroy much of the profit the industry needs to survive.

Hospitality was alone among the various industry sectors in Jersey in that it was forced to close for lengthy periods due to the measures brought in to control the virus. While there has been a comprehensive package of financial support measures from the Government, those are now being reduced or have ceased.

### **Drinks Promotions**

When the States Assembly voted to allow drinks promotions on licenced premises the industry was not consulted. There have though been numerous occasions when commentators have clearly articulated how damaging drinks promotions would be for the industry.

The JHA is welcoming the review currently being conducted by the JCRA and remains hopeful that the licensing authorities maintain the current policy not to allow them.

All that drinks promotions will achieve is an increase in government revenue as it will receive the same impôt duty from each drink sold while the business selling it will receive less in return.

It also flies against the message of responsible drinking that the industry supports, and the Government promotes. During the debate, the measure was being put forward as a welcome boost for sales that would support the industry, while on the other hand the



Government's own health professionals are urging islanders to drink less and lead more healthy lifestyles.

While pubs, restaurants and bars have got used to the steady erosion of any profits they might hope to make as every year the States Assembly votes to increase the duty charged on alcohol in the Budget, we were extremely disappointed that States Members failed to show leadership and act responsibly when they voted for this ill-conceived proposition.

### **Conclusion**

The JHA is hopeful that the members of the Government Plan Review Panel will understand the worry that further duty rises are causing members of the hospitality industry.

As we head into what is effectively a fifth winter season in a row for many of our members, the financial support provided to members is being reduced.

We believe that now is not the time for the industry to be hit with further price increases they will either have to absorb or pass on to their customers.

2020 and 2021 were devastating financially and draining physically and emotionally. We are hoping that 2022 will be different and that the members of your panel will understand our concerns and support our message.

Kind Regards

Claire Boscq  
Chief Executive