

Randalls has privately operated in our island for nearly 200 years and is one of the largest pub operators and drink wholesalers in Jersey.

The hospitality industry has been continually penalised year on year with increased duty hikes, badged as an attempt to reduce alcohol consumption. As such the level of duty on a pint of 5% beer is now one of the highest amounts in Europe, which currently stands at just over 73p on every pint. Compare that to our UK counterparts rated as third highest duty in Europe, who levy just 54p on the same pint, that represents a 25% variance. The irony therefore is if increasing duty on alcohol reduces consumption, then why has it been continually increased as the effect has clearly not had the desired result, otherwise you wouldn't keep on increasing it. The proposal for freezing duty in 2021 is certainly one we would welcome, however I think a more proactive approach would be to consider decreasing our duty levels.

Our industry was recently presented with what was seen as a helping hand by The States, approving a proposal from Deputy Ash allowing on-licensed premises to be able to offer discounts and promotions. We are still reeling from the financial implications Covid has burdened us with closures and restricted capacity of our outlets. I therefore struggle to understand how encouraging our industry to further reduce margins is seen as financially helping us. The States have nothing to fear as they will still be collecting the same amount of duty. The majority of on-licensed operators I have spoken to agree that all this will encourage is the 'quickest race to the bottom' as one outlet continually tries to undercut their competitor in an attempt to recover lost trade. All we become is busy fools with increased volume and very little profit. Surely a more sensible and pro-active approach which would have been welcomed, is the reducing of duty so that we can then pass on the savings to our customers with a cheaper pint.

I would therefore conclude by pleading with our Government to consider a duty reduction next year. The argument of increasing duty to reduce consumption has already been undermined by The States agreeing to allow drinks promotions, clearly the alcohol served during Happy Hour is not as harmful as the pint at 8pm ! Please consider offering our fragile industry a small but vital lifeline, and more importantly, an opportunity to give something back to the sensible drinker, rather than further penalising them

Gavin Reid
Managing Director

