

WINE  GB



# Wine Tourism Relief

How to promote growth, rural jobs and communities through wine tourism

# Wine Tourism Relief - Summary

The 1000 plus UK vineyards and WineGB asks for duty relief on wines sold through the cellar door. Providing support by removing duty for sales at vineyards and wineries helps promote vibrant businesses, rural jobs and communities



300+

tourism experiences



200%

sales growth



£6m

UK relief ROI

The UK vineyard and winery sector is a growth sector with remarkable acceleration in the past six years. In just six short years we have had our two largest harvests and seen **vineyard growth of nearly 70% and sales growth of 200%**. However, we are seeing a **slowdown in sales**. In 2023 we delivered 10% growth in **2024 sales grew by just 3%**. While we still outpace overall wine sales, we have started to be impacted by a contracting hospitality sector and suppressed economy. We need an intervention to help build business resilience.

**Wine Tourism Relief would unlock rural business potential.** It would further enable investment in high quality jobs. Vineyards employ more people than conventional farming and bring a wide array of skills, including roles for chemists, engineers, computer technicians, winemakers, viticulturists, marketers, hospitality and tourism specialists, as well as adjacent support services including IT, legal, finance, and business management. The money currently collected for excise duty on sales would go back to domestic vineyards and wineries and unlike a one off grant facilitate business confidence and regular investment. It emulates the proven Australian Model that induces wine businesses to diversify beyond the product to invest in its place through tourism.

Wine tourism and engagement with local communities and visitors represents the newest tourism category and one of the few expanding areas within the UK hospitality sector. **It accounts for nearly 25% of vineyard income for 300+ English and Welsh vineyards that offer a tourism experiences.** They rely on the wines they sell directly to visitors through their cellar door, as well as additional services of tours, dining and stays, which is a major driver of local growth<sup>[1]</sup>.

[1] WineGB Wine Tourism Report 2024.

Even among those without a formal tourism offering, most provide cellar door services to repeat local customers and, in some cases, seasonal or ad-hoc tourism experiences. For wine businesses that embrace tourism, it is a vital part of their business model and resilience.

On-site sales, both one-off and repeated, help stabilise revenue and support adjacent sales. It provides long term confidence to businesses to invest. In 2024 1.73 million bottles<sup>[2]</sup> were made directly to local customers and international tourists via the cellar door. This amounts to 0.125% of the UK's total wine market<sup>[3]</sup>. The proposed duty relief would be capped at a de minimis level, at a maximum of 50,000 75cl bottles per producer (with no cliff edge) to be applied to on-site wine sales through the cellar door. Such a relief would reduce duty collected on cellar door sales to circa 1.4 million (from between 1.4 – 1.6 million) bottles, at a cost of approximately just £6 million to the exchequer.



[2] Page 18-19, WineGB Industry Report 2025 1.73 million sales from 9.1 million..

[3] We estimate that for the most recent 12-month period (May 2025 to July 2025) that total wine clearances are probably in a range of 1.4 to 1.6 billion (75cl) bottles (down from 1.75 billion in 2022). The 9.1 million bottles / 0.65% figure is based on the lower end of this estimate.

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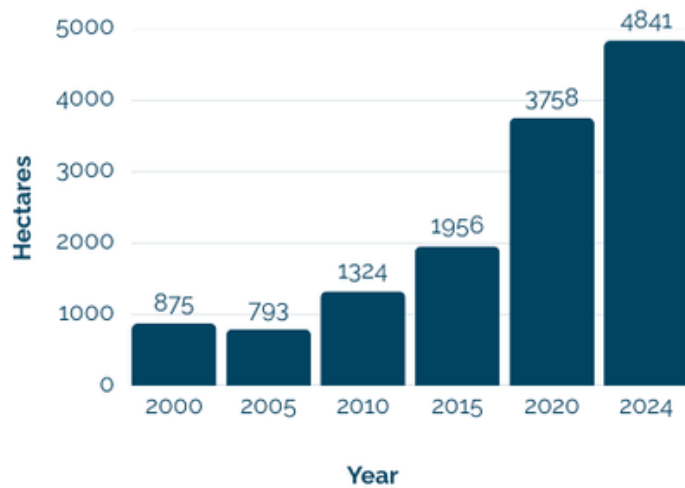
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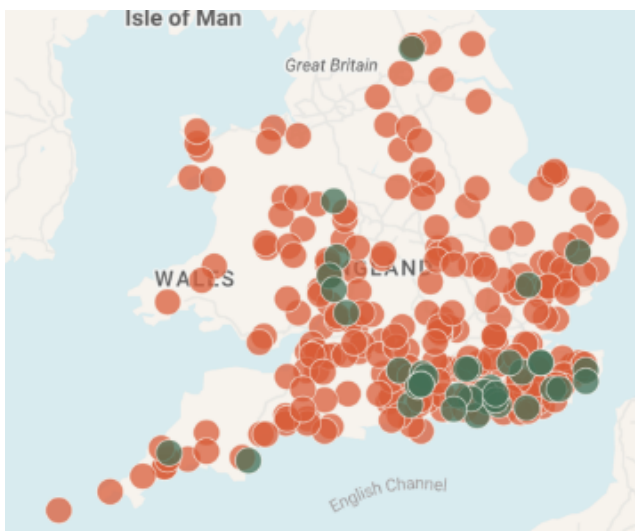
## Annex III - Analysis of Cellar Door Sales of UK Producers in the Context of Overall UK Sales of Wine.

# 1. Background

The UK vineyard and winery sector is a growth sector with remarkable acceleration in the past six years. There are over 1,100 vineyards, nearly 250 wineries, 4,800+ hectares under vine of which just over 3,750 is in active production. **In just six short years we have had our two largest harvests and seen vineyard growth of nearly 70% and sales growth of 200%.**



A predominantly rural sector, there are vineyards across the whole of the nation from Cornwall to Yorkshire, Wales to the Isle of Wight and large parts of the South East<sup>[4]</sup>. It is a sector that is made up entirely of SMEs. The largest English and Welsh wine business<sup>[5]</sup> falls below the 250-employee SME threshold. These small businesses provide more jobs per hectare than most agricultural, and the widest range of roles supporting skilled and unskilled labour.



(Click on image for WineGB's UK Wine Map)

A growth impact assessment<sup>[6]</sup> on viticulture and wine produced for the South Downs National Park (SDNP) Authority showed that vineyards have a much higher labour intensity (0.17 FTEs/ha) than either cereal growing (0.01 FTEs/ha) or lowland grazing (0.02 FTEs/ha). It also showed that viticulture and wine production have a positive impact on the SDNP economy across key metrics: gross value added (GVA), employment, education, and tourism.

[4] WineGB has a depth and breadth of reach and membership which is represented by [seven regional associations](#). Where we have a regional association, we have active, productive vineyards contributing to the local, regional, and national economy.

[5] Denbies Wine Estate, which has the largest direct to consumer and tourist offering of any wine business in the UK, employs roughly 180 people made up of a mixture of full-time, part-time, and seasonal employees.

[6] Vinescapes produced the report for the South Downs National Park Authority in 2021. [The full report can be found here](#). Section 13 focuses on the economic and social impacts of viticulture and wine production in the



The estimated economic contribution in the SDNP based on the hectareage under vine when the report was produced was:

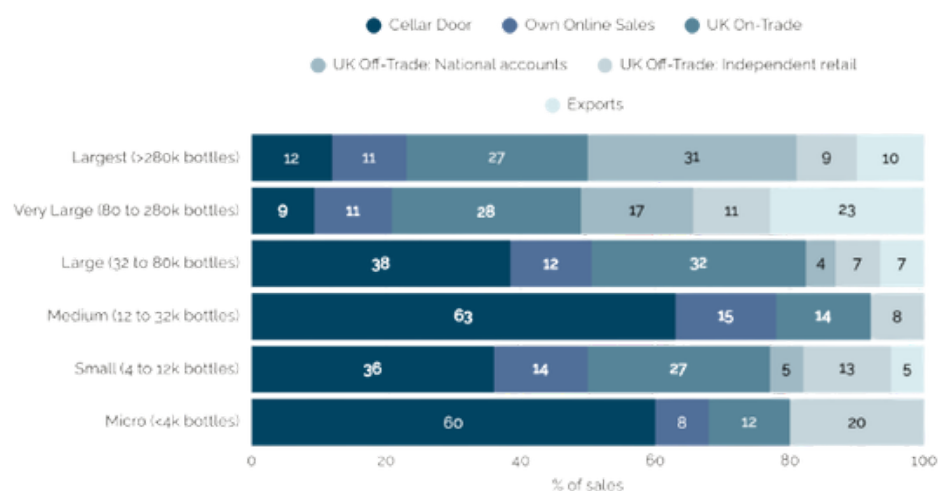
- GVA: £24.5 million;
- Employment: 358 people (including seasonal labour)
- Education: wine producers in the SDNP employ highly skilled staff
- Tourism: >33,000 visitors to SDNP wine destinations each year; and,
- GVA and employment, when compared with these values for average cereal and grazing/ha (see Section 13.5), were both found to be higher in viticulture.

The knock-on benefits are felt by the rural localities that wine businesses are based in and of course HM Treasury (HMT).

Vineyards and viticulture are the one of the **fastest growing agricultural sectors** in the UK and is expected to **grow by up to a third** consistently produce 25 million bottles a year by 2030. The quality is world class. We are the most on trend new wine sector. Our Golden 50 wine list<sup>[7]</sup> is the capture of the wines winning gold at an international and national setting. With over 100 to choose from each year the list has been created, and wine writers excited by English and Welsh wine, we have to maximise this opportunity while recognition and interest align.

Sector sales growth relies on increased trade awareness in the UK and abroad. People buy when they have the opportunity to try. It is essential to increase the opportunities for 'liquid on lips' which the evidence shows converts wines buyers who replace French Champagne with English Sparkling Wine, substitute English Charmat for Italian Prosecco and Bacchus for New Zealand Sauvignon Blanc, choose Pinot Noir from Essex instead of Chile and a host of other wines for our 99 variety of grapes.

The cellar door is a key sales channel for domestic wine producers. That can be via a dedicated tourist experience or a vineyard shop catering direct to local, repeat visitors.



[7] WineGB's second annual Golden 50 wine list: [www.winegb.co.uk/wines/golden-50/](http://www.winegb.co.uk/wines/golden-50/)



## Case Study: Tinwood Estate

TINWOOD  
ESTATE

Tinwood Estate\* is an English Sparkling wine producer near Goodwood in Chichester, West Sussex, which is recognised as one of Sussex's must-visit, year-round wine destinations.

Wine tourism is central to Tinwood's offering, which includes personal and varied cellar door experiences such as daily vineyard tours and tastings, a casual tapas-style kitchen open gam to 5pm seven days/week as well as seasonal events including Sparkling Afternoon Tea Tours, Sunday Lunches, Dinner Series evenings, Harvest Experiences, and the annual Tinwood Summer Party.

Tinwood has strong ties to the local services economy: guests explore nearby South Downs National Park, Chichester, Arundel, Petworth, and Wittering beaches, while partnerships with local suppliers champion Sussex produce.

Due to popularity, three vineyard lodges built in 2016 were expanded to eight in 2024.

Tinwood in numbers

- Employs 20 staff
- £1.4 million annual revenue from wine tourism.
- 50% of overnight guests come from London and overseas.

***Wine Tourism Relief would help fund a planned extension of the tasting room, increasing restaurant and tour capacity, as well as local jobs.***

\* See Annex I - Case Studies Contact Details

## 2. Domestic Wine's Excise Duty Contribution to the State Each Year

Domestic wine production has grown steadily over the last five to seven years. The excise duty collected from domestic wine has risen to match it rising from **£8.97 million in 2018 to an estimated £25.21 million in 2025**. Couple this with additional taxation (VAT and employment taxes) and domestic wine contributes far more than £115 million in taxes (2024 figure)<sup>[8]</sup>. This will continue to rise as the sector grows and sells more of its produce.

As stands the small amount of funding that the sector had secured through Defra, DBT and FCDO has mainly disappeared, at a point when we need an injection of supports to assist producers' efforts to halt and reverse the contraction in sales and to maximise our opportunity as the world's most on trend wine category.

Year	Number of Bottles (million)			Estimated Duty (£ million)
	Sparkling	Still	Total	
2018	2.2	1.2	3.4	8.97
2019	3.6	2.0	5.6	14.76
2020	4.5	2.6	7.1	18.67
2021	5.9	3.4	9.3	24.46
2022	5.6	2.4	8.0	21.37
2023	6.2	2.6	8.8	23.52
2024*	6.2	2.9	9.1	24.29
new rate 2025**	6.2	2.9	9.1	25.21

\* Old duty rates sparkling wine £2.8, still wine £2.23

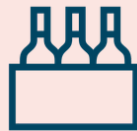
\*\* New duty rules 1.2 2025 - using ABV 12.5%. £2.77

[8] See page 32, section: 8.2. Annual tax take from domestic wine

### 3. Wine Tourism and Local, On-site Sales



**1.5m**  
tourism visitors



**1.75m**  
bottles sold at  
cellar doors



**£127m**  
in GVA by 2040 - that's  
just the South Downs

Wine tourism and on-site engagement with local communities and visitors represents the newest and one of the few expanding areas within the UK hospitality sector. Despite the washout spring and summer of 2024, 300 vineyards and wineries **hosted over 1.5 million visitors** through the offer of tours, tastings, and hospitality services. These businesses appeal to both local consumers and domestic and international tourists. Even among those without a formal tourism offering, most provide cellar door services to repeat local customers and, in some cases, seasonal or ad-hoc tourism experiences.

For wine businesses that embrace tourism, it is a vital part of their business model and resilience. On-site sales—both one-off and repeat—help stabilise revenue and support adjacent sales. **In 2024, approximately 19% of UK wine sales (1.75 million bottles out of 9.1 million<sup>[9]</sup>)** were made directly to local customers and tourists via the cellar door.

The UK's wine sector is geographically diverse, spanning counties and regions from Cornwall and Wales to Yorkshire, Essex, Sussex, Suffolk, and across the Midlands. It supports high-quality, multi-skilled jobs in rural communities and attracts individuals from varied backgrounds, including:

- farmers diversifying their holdings
- drinks industry professionals seeking independence, and
- career changers and families pursuing a passion-driven second career.

The cellar door serves as a crucial touchpoint for engaging domestic and overseas visitors. Visit England and ONS identified 16 million overseas visitors (42% of inbound tourists)<sup>[10]</sup> interested in wine tourism and coupled with local visitors the market could be substantial.

[9] Page 18-19 [WineGB Industry Report 2025](#)

[10] [Visit Britain, MIDAS Report, December 2022](#). The MIDAS report states that 42% of inbound visitors expressed 'high interest' in visiting a winery during their stay, which equates to a potential pool of 16 million visitors.

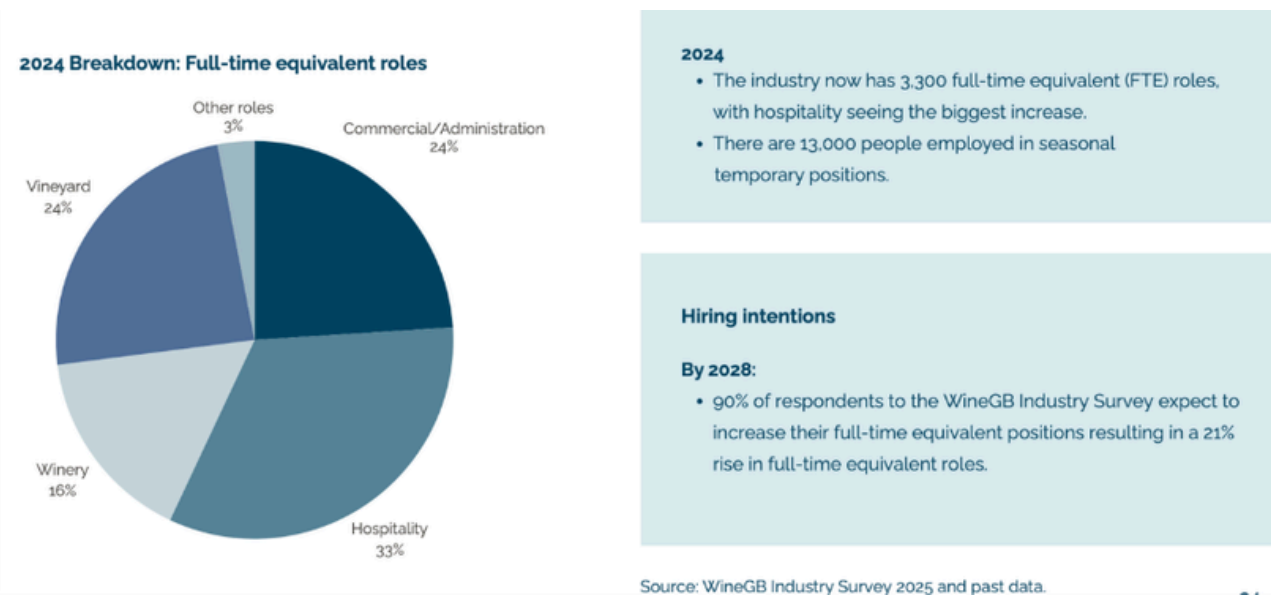


The South Downs National Park Authority's 2021 Viticulture Impact Assessment<sup>[11]</sup>—the first of its kind in the UK—offers a glimpse into the sector's potential. **It estimates that by 2040, viticulture in the South Downs could contribute up to £127 million in Gross Value Added (GVA)<sup>[12]</sup> annually and create up to 800 full-time equivalent jobs.** Wine tourism is highlighted as a key driver of local economic growth through spending on tours, tastings, accommodation, and hospitality.

The South Downs, encompassing parts of Hampshire, West and East Sussex, hosts around 50 vineyards and 11 wineries. This cluster provides a model for extrapolating the benefits of wine tourism to rural economies across the UK. If similar outcomes were achieved across the country's wine tourism-active and seeking to be active businesses<sup>[13]</sup>, the impact on rural employment and the national economy would be significant.

The combination of wine tourism and loyal local customers could see on-site sales grow to represent 25–30% of wine business income over the next decade. For the smallest producers—who make up two-thirds of the sector<sup>[14]</sup>—this figure could rise to nearly 60% of their sales.

With appropriate support from both businesses and government, the sector has strong growth potential. By 2028, full-time employment in UK wine production could increase by approximately 21%, further strengthening rural economies and enhancing the country's hospitality and tourism offerings.



[11] [South Downs National Park Authority, Viticulture Growth Impact Assessment, April 2021](#)  
 [12] The SDNPA GVA estimate includes both direct impacts (e.g. vineyard operations, wine sales) and indirect impacts (e.g. tourism, supply chain, local services)  
 [13] The direction of travel for this number is upwards, but due to the nature of business, can equally stall and even drop.  
 [14] [WineGB's Tourism Report 2024](#), and [WineGB industry Statistics 2024](#).

THE WHARIE  
WINERY  
BREWERY  
CIDERY  
EXPERIENCE

## Case Study: The Wharie Experience

The Wharie Experience\* is part of a small 6.5 hectare farm in rural Lymington, Hampshire, which has been in the same family ownership since 1919. Two hectares have been given over to fungal resistant grape vines, one hectare to an orchard and the remaining land to meadows and woodlands.

The land is farmed machine-free without the use of pesticides and using only organic manure and compost by the owner (and oenologist), who also hosts the tours and tastings, which offer fascinating insight into how a micro sized, local agri-food business operates in rural England. The venue also hosts regular yoga in the vine and corporate experiences.

Wharie Experience in numbers:

- Turnover 2025 (est): £55-60K.
- 2/3 of sales in 2023 were at Cellar Door
- Tours without sales are about 10 to 15% of total turnover.

***Wine Tourism Relief would help fund a new gazebo/all-weather seating in the vineyard to host larger groups, which would require extra staff and partnerships with local caterers, creating part-time jobs, while helping the owner stay competitive against larger producers.***

\* See Annex I - Case Studies Contact Details

## 4. Seeking Fairness - Equal Treatment

For growth to occur the domestic wine sector needs the support of the UK Government to help make it happen. The domestic wine sector is not anti any other alcohol beverage category however we need our sector to be treated equally to other alcohol beverage sectors. We need a level playing field.

The other great English alcohol beverage category is beer. It starts from a point which provides it with significant business advantages over domestic wine. Both it and cider have lower production costs, are often bigger businesses and are advantaged in the tax system.



	Beer	Domestic Wine
<b>Market Size</b>	Large and mature; dominant in UK alcohol sales	Niche but growing
<b>Production Scale</b>	High – hundreds of breweries, both large and micro, spread across the UK	70% of vineyards located in the South East, with growth across the UK
<b>Cost of Production</b>	Generally lower given widespread infrastructure, with an international supply chain, and a faster production turnaround	Higher due to land, climate, aging, and need for specialist equipment and infrastructure. Production infrastructure not widespread.
<b>Distribution Network</b>	Extensive and mature – pubs, supermarkets, off-licences, exports	More limited - expanding slowly
<b>Consumer Familiarity</b>	Very high; culturally embedded across decades and centuries	Increasing, but still less familiar to average consumers than overseas wine categories



<b>Export Potential</b>	Strong — established brands and global reach. Driven by large beer multinational.	English Sparkling Wine gaining considered expert recognition. Exports slowly growing but held back by small size of businesses and minimal Government category wide marketing support.
<b>Taxation &amp; Duty</b>	Historically favoured with lower duty rates and by schemes to help smaller producers and sale in hospitality settings.	Wine taxed more heavily with ABV set at thresholds that potentially undermine the category
<b>Shelf Life</b>	Shorter shelf life as meant for short-term consumption, easier storage	Longer shelf life. Sensitive to storage condition, temperature, and humidity.
<b>Cultural Value</b>	Deeply tied to UK pub culture and tourism	Increasing prestige, especially in fine dining and luxury experiences

Given these business advantages for beer, it is still taxed at much lower rates<sup>[15]</sup> than domestic wine producers. The category is able to avail of the Small Producers Relief scheme<sup>[16]</sup> which has a cut-off threshold of 8.5% ABV, effectively excluding wine.

UK beer producers also benefit from duty relief on their products sold by draught in a hospitality setting. This reduced draught relief rate applies, again to products with a strength of less than 8.5% alcohol. and which are contained in draught kegs.

It also can be availed of by domestic producers and those who "import these alcoholic products to the UK"<sup>[17]</sup> meaning third country beer products also benefit from it.

Both of these reliefs help and benefit beer and exacerbate the financial advantage they have over our **small and medium-sized wine businesses compounding the competitive disadvantage.**

Wine businesses cannot produce a product with an ABV below 8.5% and call it wine<sup>[18]</sup> nor would it be commercially viable as a product to sell on the domestic market<sup>[19]</sup> given the small overall amount of wine most producers, produce.

[15] [www.gov.uk/guidance/alcohol-duty-rates](http://www.gov.uk/guidance/alcohol-duty-rates)

[16] [www.gov.uk/guidance/check-if-youre-eligible-for-small-producer-relief-on-alcohol-duty](http://www.gov.uk/guidance/check-if-youre-eligible-for-small-producer-relief-on-alcohol-duty).

[17] Section 12.15, [Draught Relief and Small Producer Relief](#)

[18] "Wine is the beverage resulting exclusively from the partial or complete alcoholic fermentation of fresh grapes, whether crushed or not, or of grape must. Its actual alcohol content shall not be less than 8.5% vol." [OIV, Standards and Technical documents, International Code of Oenological Practices, Part 1 - Definitions.](#)

[19] To be commercially viable (i.e. to break even) in the UK with a de-alcoholised wine under 8.5% ABV, a domestic producer would likely need to sell at least 30,000-35,000 bottles of that product per year, assuming a retail price of £15 and modest overheads.

Put plainly, domestic wine producers are **unable to avail of the financial supports that their counterparts in beer and cider enjoy**, leaving them at a competitive disadvantage. Our proposal for a wine duty relief, in a small way, would be a step towards levelling the playing field between wine and other alcohol beverage categories in the UK.





## Case Study: Denbies Wine Estate Ltd

Denbies Wine Estate\*, founded in 1986 by the White family, is located just an hour from London and was among the first global wine estates to offer year-round indoor and outdoor tours.

At 265 acres, it is one of England's largest single estate vineyards and features four restaurants, a hotel, visitor centre, art gallery, shop, is a venue for weddings and corporate events, and hosts a weekly community Park Run.

As well as vineyard train tours, tastings, pairing dinners, cinema experiences and guided eco-trails, visitors can freely explore the wider 400-acre estate, which is dedicated to nature and wildlife.

Denbies supports sustainable practices through partnerships with local producers and businesses, prioritising suppliers within 50 miles who meet certifications like B Corp, Organic, Fair Trade, and Real Living Wage.

Denbies in numbers

- 180 staff, most live within a 15-mile radius.
- In 2024, Denbies sold 139,000 bottles through its cellar door
- Of its £8 million annual turnover (approx.), wine tourism is the largest income source

***Wine Tourism Relief would be reinvested into expanding wine tourism. Past support, such as a 2019 European grant, led to tripled employment and doubled contract winemaking clients.***

\* See Annex I - Case Studies Contact Details

## 5. What is Wine Tourism Relief?

Wine Tourism Duty Relief (WTR) is a rejuvenated initiative led by WineGB and its members, aimed at reducing duty-related costs for UK wine businesses selling directly to consumers through the cellar door<sup>[20]</sup>. Inspired by, but distinct from, the Australian model<sup>[21]</sup>, **WTR focuses on supporting local and tourism-driven sales by easing financial barriers associated with duty on wine sold on-site via the 'cellar door'.**

**The concept mirrors the Government's draught relief for beer, cider, and hospitality, but is tailored to the wine sector.** It proposes duty relief for sales of a wine business's own products up to a defined threshold. This would apply to wines sold for on-site consumption or takeaway, offering every UK wine business the opportunity to benefit and reinvest savings into growth.

Introducing wine duty relief for UK wine producers would come at a relatively modest cost to the Exchequer—**circa £5 million<sup>[22]</sup> per annum**—which in return could deliver significant benefits. It would enable domestic producers to stabilize their investments and expand into complementary areas, helping to future-proof their businesses. **For micro and small producers in particular direct-to-consumer and tourist cellar door sales are a vital revenue stream which need to be encouraged.**

In total cellar door sales account for just over 19% of total sales in the UK. The absence of any duty relief limits their ability to grow, create jobs, and contribute to local economies. Wine duty relief would provide meaningful financial support across all business sizes, with particularly strong impact for smaller and micro-sized producers.

Wine producers are excluded from existing reliefs like Small Producer Relief (SPR)<sup>[23]</sup> and draught duty relief. This exclusion undermines their ability to compete on equal footing with other alcohol categories and stifles growth in rural communities.

[20] Cellar door is the trade term used to describe sales made through an onsite sales outlet i.e. a shop in a vineyard. Our proposed WTR would not apply to sales / purchases made in the on- or off-trade, online or by export which account for most sales of domestic wine in the UK.

[21] See Page 18, Australia's WET Case Study.

[22] See section 8.2, page 32

Five advantages that will flow from WTR:

- **Job Creation:** It would promote multi-skilled employment in rural areas, supporting vibrant countryside economies.
- **Economic Support:** WTR offers a lifeline to domestic producers facing economic challenges, helping them remain viable and competitive.
- **Business Growth:** It is expected that relief savings would be reinvested into scaling operations.
- **Fairness and Equality:** It seeks to level the playing field between wine and other alcohol categories such as beer, which already benefit from targeted relief.
- **Consumer Engagement:** By supporting direct-to-consumer sales, WTR strengthens the connection between producers and customers—both local and tourist.

Ultimately, WTR is a strategic move to unlock the potential of the UK's wine sector. By reducing duty costs on local and tourism-related sales, it would empower producers to grow sustainably, enhance their offerings, and contribute more significantly to rural economies and the national hospitality landscape. English and Welsh wine has the potential to offer a tourist experience which mirrors and surpasses that offered by Scotch Whisky distillers in Scotland.

Granting wine duty relief is an immediate and regular investment that would rebalance government support across the alcohol sector and ensure wine producers fair treatment comparable to beer. It would also recognise the strategic importance of cellar door sales—especially for smaller businesses—by providing targeted relief where it matters most.



# Australia's WET (Wine Equalisation Tax)

## Brewers, distillers, and winemakers set for tax relief under Albanese's new plan



Image: Prime Minister Anthony Albanese at Killara Distillery in Tasmania (Source: X)

**The tax relief package is estimated to reduce tax receipts by \$70 million over five years from 2024-25.**

- In Australia, "cellar door relief" primarily refers to financial support and tax incentives provided to vineyards, wineries, and viticulture companies, through programmes such as the Wine Equalisation Tax (WET)<sup>[23]</sup> rebate scheme.
- The WET rebate scheme is designed to assist small winemakers by reducing their tax liability on cellar door sales.
- The scheme provides a rebate on the first \$300,000 of wholesale value of cellar door and mail order sales, effectively making these sales free from WET. This assistance tapers off for sales between \$300,000 and \$580,000 per annum. Sales above \$580,000 receive only the state subsidy of 15%.

This scheme helps small winemakers by significantly reducing their tax burden, allowing them to reinvest in their businesses and maintain competitiveness.

[23] More information on the WET can be found [here](#).

## Why has the Australian Government granted WET and other supports?

- It recognised the importance of wine tourism in supporting regional economies and enhancing the competitiveness of its domestic wine industry.
- The programme encourages agritourism and supports businesses in improving their cellar door facilities and services.
- Supporting small and medium-sized businesses to invest, grow, and create jobs, contributes significantly to local economies across Australia.

## How does Australia's WET abide by WTO non-discrimination rules?

- Non-Discriminatory Basis: It is available to all eligible wine producers operating in Australia, regardless of their country of origin.
- Focus on Agritourism: The primary objective is to encourage visitors to wine regions, which benefits the broader tourism sector rather than solely wine producers. It promotes regional economic development rather than providing direct subsidies to wine producers.
- Eligibility Criteria: Such as requiring a minimum of \$1,207,000 (£603,500) in rebatable wine sales and a physical cellar door, ensure that only established businesses with significant local presence can apply.
- WTO Compliance: The Australian government ensures that all grants and subsidies comply with WTO agreements, such as the Agreement on Subsidies and Countervailing Measures (ASCM).





## 6. Everyone benefits from Wine Tourism Relief

There are a number of key beneficiaries to this proposed WTR scheme: wine businesses, local areas and the wider region, and ultimately the Treasury.

### 6.1. Wine businesses

WineGB's members have said that were they to be offered WTR then the almost certain likelihood is that they would reinvest the duty relief savings each year back into their wine production and tourism offerings with a view to helping grow them.

Based on feedback from members we anticipate that WTR would be used to fund investments that support business growth rather than price cuts. Those with third party distribution networks are contracted to sell product at the same costs and cannot undercut their partnerships.

Where businesses currently make price cuts on their wines, they are more likely to be smaller (given the distribution model described) with price cuts supporting strategic loss leader approaches to encourage regular visits and spending on ancillary services including food, board and tours.

Our member businesses have stated that they could reinvest wine duty relief in a strategic way which in the short to medium term could help enhance the business. For example:

#### ***I. Invest in infrastructure and facilities upgrades,***

- Develop or upgrade on-site accommodation to offer a complete vineyard experience.
- Invest in a restaurant or café that pairs the business' own wines with local, regional cuisine, enhancing the overall visitor experience.
- Invest in expanding product processing infrastructure e.g. grape presses, wine fermentation tanks, bottling lines, etc.

#### ***II. Integrate up-to-date technology and practices into the business more,***

- Enhance the business' e-commerce platform to facilitate growth in direct-to-consumer sales.
- Update Customer Relationship Management (CRM) systems to manage customer interactions and improve export and marketing efforts.

### **III. Invest in marketing and promotion**

- Increase digital marketing by boosting their online presence through social media campaigns, SEO, targeted ads, etc.
- Host wine related events, festivals, or exclusive dinners to attract more visitors and create a buzz around their brand.

### **IV. Enhance their existing or start up a visitor experience.**

- Improve the ambiance and comfort of their tasting rooms to create a memorable experience for visitors.
- Invest in technology to offer interactive and educational tours which would help showcase the winemaking process.

### **V. Provide enhanced staff training and development to improve their offering,**

- Hospitality training to ensure that staff are in a position to provide exceptional service and knowledgeable guidance to visitors
- Export focused sales and marketing training to help employees grow the business

### **VI. Prioritise sustainable practices**

- Invest in sustainability by incorporating solar panels, water conservation systems, organic farming techniques, etc. to green the business.
- Engage with green certifications for sustainable practices, which could help enhance reputation of their business and brands and attract a broader audience. This includes WineGB's Sustainable Wines of Great Britain certification programme<sup>[24]</sup> currently representing 40% of UK hectareage and driving down carbon in vineyards and wineries.

### **VII. Expansion and Diversification,**

- Experiment with new grape varieties or wine styles to diversify their product range
- Collaboration with local businesses, such as hotels, restaurants and tour operators, to create package deals aimed at attracting more visitors both local consumers, and domestic and international tourists.

### **VIII. And, importantly potentially help contribute to save some wine businesses from going under by**

- Helping micro, small and medium sized wine businesses, who depend on cellar door sales the most, with a much-needed financial boost in some of the most economically challenging times in recent memory.

These are just a number of examples of how WTR duty relief could be re-invested in helping domestic wine businesses create a more attractive and profitable wine tourism offering.

[24] [SWGB information available on WineGB website](#)

## 6.2 The region(s) local to a wine business

### Regional tourism growth accelerator

It is an undisputed fact that tourism stimulates wider growth in the areas and regions adjacent to where there is a tourism offering. The same applies to a business with a wine tourism offering.

In 2023, 1.5 million visits were made to UK vineyards and wineries, up 55% on numbers from 2022. WineGB's 2024 Tourism Report shows that for those vineyards offering a tourist experience wine tourism accounts for 25% of total on average with expected visitor numbers growth of over 20% in the next five years.

By 2028 90% of respondents to the WineGB Industry Survey expect to increase their full-time equivalent positions resulting in a 21% rise in full-time equivalent roles. The largest segment of roles are in hospitality.

It therefore follows that if a wine business can invest more in its tourism and customer offering then the benefits of wine duty relief used to that end would also have a wider knock-on impact on ancillary businesses which provide services to wine businesses and much needed support in rural economies.

While a wine duty relief would undoubtedly reduce the immediate tax intake per unit in the short term, it is our contention that, in the medium to longer term, it can and will stimulate business growth, job creation, and business stability in the sector and in adjacent service sectors. The example of whisky tourism<sup>[25]</sup> in Scotland shows exactly what it is possible to achieve:



*... visitor numbers to Scotch Whisky visitor centres throughout Scotland have once again topped 2 million in 2022... Figures show that Scotch Whisky visitor centres collectively have risen to become the top visitor attraction in Scotland, with footfall more than doubling (114%) compared to 2021... Visitor spend per head at Scotch Whisky visitor centres has risen by 8.65%, with more than £85m spent in total at sites across Scotland's five whisky regions, up 90% since 2010... The Scotch Whisky industry employs over 1,100 people at Scotch Whisky visitor centres, many of which are based in rural areas, and investment in Scotch Whisky tourism has totalled more than £300m over the past decade, with a number of new visitor centres having opened. <sup>[26]</sup>*

[25] See Case Study: Scotch Whisky Tourism, page 26.

[26] [SWA press release](#)



The growth of the UK's domestic wine industry presents a strategic opportunity to support integrated rural tourism in England and Wales. Increasingly, vineyards and wine businesses are serving as hubs for a mixed consumer and tourism experience that in one hit combine multiple experiences drawing in agriculture, food, sustainability, local and cultural engagement.

These experiences typically include:

- Vineyard tours and tastings that highlight local viticulture and climate-adapted production methods
- On-site or partner-led food experiences, often featuring local produce and farm-to-table dining
- Sustainability-focused activities, such as biodiversity walks, regenerative farming demonstrations, and low-intervention winemaking
- Cultural and heritage components, including local crafts, historical sites, and community-led storytelling
- Local immersion where stays are extended in local villages and small supporting local economies and encouraging longer stays.

A significant benefit, which should not be discounted, that wine duty relief would also offer to local wine businesses is help keeping them afloat in challenging economic times. Meaning jobs and money stay in the locality because business survive. There are other reasons, but financial viability should not be discounted.

Wine duty relief's suggested small reduction in the tax burden that wine businesses bear would also benefit the locality around a wine business through:

***I. Increased investment and expansion can benefit the immediate vicinity of a vineyard through the creation of:***

- Demand for local services, plant and infrastructure provision
- More local grape sourcing which could met by local farmers diversifying what they grow

***II. Job creation and skills development would also benefit those areas in proximity to a wine business:***

- Hire more staff for production, scientific /technical, hospitality, marketing, distribution and retail.
- Create both permanent and seasonal jobs, directly reducing local unemployment and increasing household incomes.
- Increase the potential for apprenticeships or training programs in viticulture and hospitality.

### **III. Boost local supply chains / grow ancillary businesses through more local:**

- Sourcing of goods and services, such as agricultural products, packaging, logistics, and maintenance.
- Production and business activity which supports other local enterprises, creating a multiplier effect that strengthens the broader regional economy.
- Sourcing from local farmers, label printers, logistics providers, etc.
- Growth in sectors related to tourism and tourist visitors such as hotels, restaurants, transportation, and retail.

### **IV. Tourism and regional branding could receive a boost because duty relief can:**

- Enable a wine business to invest in marketing and tourism initiatives and its tourism infrastructure (e.g., tasting rooms, wine tours, restaurants, or event spaces).
- Help raises the profile of the locality as a destination for food, culture, and leisure visitors boosting local hospitality businesses (hotels, restaurants, transport).
- Grow the contribution of a wine business to the cultural fabric of the locality, hosting events, festivals, and educational programs.

## **6.3 HMT /HMRC**

The third beneficiaries of a wine duty relief scheme would be the State itself (represented by HMT and HM Revenue and Customs (HMRC)). Wine duty relief, contributing to business and sales growth, will in the end lead to fiscal and economic growth in the form of higher overall tax receipts from increased economic activity for HMT and HMRC.

Wine duty relief's lowering of the tax burden on wine sold through the cellar door, in the short to medium term, can benefit the state by:

#### ***I. Enhance business viability and growth with:***

- Help for wine businesses to manage cash flow and support their financial stability thus reducing instances of financial distress and the possible risk of closures.
- Facilitate a more stable, growth oriented domestic wine sector which can lead to increased production, sales, and investment, which in turn expands the tax base for VAT, corporation tax, and employment taxes.

#### ***II. Reduced administrative costs for HMRC***

- Micro and smaller producers often struggle with complex excise documentation and processes. The simplification of duties (e.g. WTR) can reduce HMRC's compliance burden with knock-on benefits for both wine business and revenue inspectors.

### **III. Knock-on Supply Chain Effects:**

- Increased business activity will have positive spillover effects for suppliers, logistics, and hospitality sectors, generating additional tax revenues across the economy and beyond just wine businesses.

### **IV. Supporting the rural hospitality sector**

- Duty reliefs such as Draught Relief<sup>[27]</sup> specifically benefited on-trade venues (e.g., pubs and restaurants) that sold draught beer and cider, helping them remain commercially viable, competitive and encouraging consumption in supervised settings. WTR could have a similar, positive commercially viable effect on wine businesses that have a tourist offering, cellar door.
- A thriving hospitality sector, in the locality surrounding wine businesses that offer tourist experiences, generates pull factors to the region which stimulates local economies and employment, again resulting in higher income tax, National Insurance contributions, and indirect tax revenues.

### **V. Medium-Term Revenue Growth**

- Perhaps most importantly to HMT / HMRC while WTR duty relief may reduce immediate excise duty receipts, it is an investment and the anticipated increase in business activity, market expansion, and employment can lead to higher overall tax revenues in the medium to longer term.
- As businesses grow and innovate, they will generate more taxable profits and contribute more to the Treasury through multiple tax channels.
- As UK wine business growth is encouraged it means less reliance on imports (meaning retaining profits, more rural jobs and economic growth in the UK economy).



[27] Granted by the last Government in 2023



# Scotch Whisky. Tourism

Over 1,100 people employed in whisky tourism roles

Whisky tourism not only supports direct employment but also stimulates the wider hospitality, transport, and accommodation sectors, contributing significantly to Scotland's £7.1 billion whisky industry GVA.

Scotch whisky tourism<sup>[28]</sup> is a cornerstone of Scotland's visitor economy, attracting over 2 million visitors annually to more than 140 distilleries across the country. These experiences offer a compelling blend of heritage, craftsmanship, and premium hospitality, making them a key driver of rural and island economic development and international brand engagement.

Scotch whisky's tourism offering includes:

- guided distillery tours that showcase traditional whisky production methods
- premium tasting experiences featuring rare and aged expressions
- educational workshops, including blending sessions and food pairings
- retail opportunities through on-site sales, and
- cultural storytelling that introduces visitors to the brand, enhances loyalty and caters to visitor satisfaction.

Visitor information / data

- 140 scotch whisky visitor centres
- Over 2 million visits to scotch whisky visitor centres in 2022
- 51% of visitors were from the UK; the rest were international, coming in particular from the US, Germany, and France.

More than £85 million spent at scotch whisky visitor centres

Over £300 million invested in scotch whisky tourism infrastructure over the past decade.

[28] Information taken from the [SWA's Scotch Whisky Economic Impact report \(2024\)](#) and the [2019 Scotch Whisky tourism figures](#)

Recap

Benefit to Business	Medium-Term Economic Effect	Benefit to HMT/HMRC
<p>Lower operating costs</p> <p>Enhanced competitiveness</p> <p>Support for hospitality</p>	<p>Business resilience and expansion</p> <p>Higher sales volumes</p> <p>Investment and jobs</p> <p>Sectoral growth and job retention</p>	<p>Higher PAYE, and corporation tax payments</p> <p>Increased excise and VAT receipts</p> <p>More stable tax base</p> <p>Increased broader tax contributions</p> <p>Greater business resilience and less business failure</p>





## 7. Why Now?

The UK's domestic wine industry has expanded rapidly, now comprising over 1,100 vineyards and nearly 300 wineries across England and Wales. Yet despite this growth, the sector remains in its early stages compared to more established global wine regions and requires targeted support to reach its full potential. This is particularly clear when it comes to sales. There has been an increase in sales since 2018 of 200% to 9.1 million bottles sold. However, while growth in sales have continued between 2023 and 2024 that growth was a lower than expected figure of 3% which is a reflection of a contracting hospitality sector.

One of the most impactful and immediate policy measures the government could introduce is duty relief on wine sold directly to consumers and tourists through the cellar door.

Now is a timely moment to implement a wine duty relief, given the unique challenges facing UK wine producers. These businesses contend with significantly higher production costs than their beer and international counterparts—contributing to higher retail prices and making it harder to compete in both domestic and export markets. A duty relief would echo existing support provided to beer producers through SPR and draught duty relief, acknowledging the value of direct-to-consumer /tourist sales in sustaining local economies and hospitality.

For small and medium-sized producers, cellar door sales are often the only viable route to achieving sustainable margins, allowing them to bypass intermediaries and costly distribution networks. Duty relief on these sales would:

- **Boost rural economies** by enhancing the viability of on-site sales and tourism
- **Promote sustainability** by reducing reliance on carbon-intensive distribution
- **Level the playing field** with other alcohol producers and international competitors
- **Support the visitor economy** by encouraging investment in tasting rooms, farm shops, and educational experiences.

This policy would align with broader government goals around rural development, agri-food innovation, and net zero commitments. It would also reflect international best practices seen in countries like Australia and New Zealand, where cellar door sales are actively supported.

In short, duty relief on wine sold through the cellar door would empower UK wine producers, especially smaller businesses, to grow, compete, and contribute more meaningfully to local communities and the national economy.



## Case Study: Velfrey Vineyard/Gwinllan Velfrey

Velfrey Vineyard\* is a family-run, low intervention boutique vineyard in Pembrokeshire, Wales, offering visitors a genuine glimpse into Welsh viticulture and winemaking in a region where production is still relatively rare. Its wines hold Protected Geographical Indication (PGI) status as Welsh Wines.

Velfrey wine tourism developed organically from local curiosity with interest growing through word of mouth and press coverage, which lead to formalised tours and tastings. Over time, wine tourism has become a key way for the vineyard to connect with customers, and promote Welsh wine more broadly.

Velfrey partners with nearby hospitality businesses that recommend tours, relies on local tradespeople for maintenance and construction, and sources supplies locally. Collaborations with food producers such as cheesemakers and chocolatiers enhance tastings, while visitors often spend in local restaurants, shops, and accommodation, boosting Pembrokeshire's wider tourism economy.

### Velfrey In Numbers

- 4 full-time staff
- 40-45% off sales comes from tours and cellar door wine sales
- Cellar door contributes around (£65,000) of £160,000 (approx.) annual revenue.

***Wine Tourism Relief would improve cash flow and enable reinvestment into improved visitor facilities, enhancing accessibility, employing part-time staff to increase tour/tasting sessions and develop new cellar door experiences, securing Velfrey place in Welsh wine and rural tourism.***



\* See Annex I - Case Studies Contact Details



## Case Study: Laurel Vines Vineyard and Winery

Laurel Vines\* was established in 2011 by Ann & Ian Sargent in a little hamlet called Aike in East Yorkshire, with the first 2,000 vines producing their debut wines in 2014. To date there are over 15,000 vines producing in excess of 20,000 bottles of still and sparkling wines.

In 2020 the pandemic caused most B2B sales to cease, but D2C increased hugely. In 2021 The Hairy Bikers filmed at the vineyard and the impact of the broadcast resulted in 10,000 bottles sold in three weeks! Subsequently there was a seismic shift in visitors wanting to see the wine making facilities and today the vineyard is open for picnics, wine tours, evening tasting events and private functions.

Laurel Vines works with the local authority and the Visit Hull and East Yorkshire, to encourage visitors and spend on the local area. They also collaborate with rural businesses and local food producers, including a neighbouring farm to operate "Heard it on the Grapevine" event incorporating an ecological/wildlife safari, cow cuddling and wine and food across the two farms.

Laurel in numbers

- 5 full-time (including an apprentice) and 5 part time staff all from local area
- Turnover in excess of £130K
- Around 60% of sales are direct from the vineyard/ cellar door.

***Wine Tourism Relief would help Laurel continue to expand, by planting more vines, increasing the equipment to cope with the increased yields and directly employ more local people, both in the vineyard/winery and in the tourism and marketing sphere.***

\* See Annex I - Case Studies Contact Details

## 8. Models, Tables, Numbers

Domestic vineyards, wineries and wine businesses across England and Wales have, over the last number of years, made and continue to make an outsized contribution to the finances of the country.

### 8.1. Duty paid by domestic wine producers 2018-24

Excise duty collected on wine has increased year on year since 2018 as bottle sales have increased, going from £8.97 million (collected on 3.4 million bottles sold) to £25.21 million collected on 9.1 million bottles in 2024.

Year	Number of Bottles (million)			Estimated Duty (£ million)
	Sparkling	Still	Total	
2018	2.2	1.2	3.4	8.97
2019	3.6	2.0	5.6	14.76
2020	4.5	2.6	7.1	18.67
2021	5.9	3.4	9.3	24.46
2022	5.6	2.4	8.0	21.37
2023	6.2	2.6	8.8	23.52
2024*	6.2	2.9	9.1	24.29
new rate 2025**	6.2	2.9	9.1	25.21

\* Old duty rates sparkling wine £2.8, still wine £2.23

\*\* New duty rules 1.2 2025 - using ABV 12.5%. £2.77



## 8.2. Annual tax take from domestic wine (2024)

Duty paid is not the only financial contribution which wine businesses in England and Wales makes to the Exchequer. VAT and employment taxes (PAYE and business NICs) are also paid by all wine businesses. In 2024/5 these taxes accounted for £45.83 million and £44.94 million respectively taking the total tax gathered by the state from the domestic English and Welsh wine sector to £115.98 million in 2024.

Wine duty relief on the portion of that £115.98 million which sales through the Cellar Door makes (£4,864,120 in 2024 figures) would equate to a duty relief on roughly 5.6% of the tax take which raised on English and Welsh vineyards and wineries.

Recent changes (increases) in the wine excise duty have seen Treasury wine receipts fall. A targeted cellar door relief is likely to stimulate sales and investment, providing a boost not only to producers but also to public revenues and rural tourism infrastructure in the medium to longer term.

		Estimated Duty (£m)	Notes
Duty <sup>a</sup>	(using new rates wef 1.2.25)	25.21	a. Duty 9.1m bottle sales @ £2.77 duty per bottle
VAT <sup>b</sup>		45.83	b. VAT Sparkling 6.2m bottles @ sale price £35 per bottle x 20/120 Still 2.9m bottles @ sale price £20 per bottle x 20/120
<b>Employment Taxes (PAYE &amp; NIC)<sup>c</sup></b>		<b>44.94</b>	c. Employment Taxes (PAYE & NIC)
	a) Direct Employment	39.03	i) 3300 FTE @ £37,430 per annum average national salary per ONS NIC employers 15% > £96pw 4866 NIC employees 8% > £242pw 1988 PAYE 20% > 12570 4972 <b>11,826</b>
	b) Seasonal workers	0	ii) Seasonal workers 13,000 representing 1300 FTE Minimum wage £12.21 per hour Ignored PAYE & NIC contribution
	c) Contract Agency	5.91	iii) 3 <sup>rd</sup> party suppliers of Vineyard contract agency staff 500 FTE estimated
		<b>115.98</b>	



### 8.3. How much excise duty does the cellar door account for?

The cellar door's contribution to duty paid varies depending on the size of the wine business. Size of a wine business very much determines how many bottles are produced and sold<sup>[29]</sup>.

The most up to date figures (2024) which WineGB has gathered suggests that duty collected by HMRC amounts to £24.2 million (old duty rates) / £25.21 million (new duty rates) on 9.1 million bottles sold.

Unsurprisingly the largest vineyards / wine producers account for most sales. Which also means that they are less dependant on sales through the cellar door than smaller wine businesses as they tend to have sales and national distribution beyond their local regions, and in some instances overseas in target markets in Europe and further afield.

Wine duty relief will provide some assistance to these largest vineyards / wine producers but its impact on their results will be less than the positive impact it will have on medium, small and micro vineyards and wine producers in England and Wales.

Depending on size, sales through the cellar door are more import to a vineyard / wine business the smaller the overall total number of bottles of wine you sell.

Wine duty relief will provide some assistance to these largest vineyards / wine producers but its impact on their results will be less than the positive impact it will have on medium, small and micro vineyards and wine producers in England and Wales.

Depending on size, sales through the cellar door are more import to a vineyard / wine business the smaller the overall total number of bottles of wine you sell.

[29] It is important to remember that bottles sold is not the same as bottles produced. The sector is producing more than it is currently selling and is building a reserve of stock which partly helps see it through fluctuating harvest yields, partly allows it to build a stock.



Member size	Total Number of Bottles Sold	Cellar door Number of bottles	%	Estimated Cost of Duty (£)
Largest members (>280,000)	6,004,000	692,000	12	1,916,840
80-280k	1,011,000	88,000	9	243,760
32-80k	917,000	318,000	35	880,860
12-32k	706,000	444,000	63	1,229,880
Small (4-12k)	251,000	92,000	37	254,840
Micro (<4k)	211,000	122,000	58	337,940
	<b>9,100,000</b>	<b>1,756,000</b>		<b>4,864,120</b>

Figures in table based on WineGB 2025 Industry Survey data 04.07.2025 (& Mark Laughton update 15.07.2025)  
 New duty rules 01.02.2025 using 12.5% AB ( $£29.54 \times 0.125 \times 0.75$ ) = £2.77





## Case Study: All Angels



All Angels\* vineyard was established in 2011 at Church Farm, Enborne, just west of Newbury. The family-run business produces premium, single-vintage English Sparkling Wine from grapes grown sustainably. The gold medal award winning wines are sold locally, nationally, online, at events such as the Newbury Show, via cellar door sales, and exported to collectors worldwide (including Bahamas, Hong Kong, and Norway).

Formal public tours and tastings run regularly from April to September. Visitors include locals and Londoners as well as people travelling from elsewhere in the South, from the Midlands, and internationally from Europe, Asia, Australia, and North America. Visitors have praised All Angels for "putting the area on the map." Private and corporate events feature bespoke catering, including MasterChef and Michelin-starred chefs, and All Angels also partners with local artisanal food producers, hotels, restaurants, gastro-pubs, transport providers, and attractions like Newbury Races and theatres.

Despite success, operational costs exceed revenues, requiring ongoing family financial support. Tourism and cellar door sales are vital.

All Angels in numbers

- Tours & Tastings contribute over 17.5% of revenue
- Cellar door sales from events add another 25%
- Annual visitor numbers between 700 and 1,000, not including repeats.

***Wine Tourism Relief would enable All Angels to hire temporary staff to ease family workload, improve accessibility for visitors with mobility challenges, expand tourism offerings and move closer to covering operational costs.***

\* See Annex I - Case Studies Contact Details

## 9. Legal Basis of WTR

Our proposal for wine tourism relief would apply to own wines sold for consumption onsite or for takeaway at either a:

- productive vineyard, or
- winery making wines and other grape based alcohol products.

It is our firm belief that WTR would be compliant with World Trade Organisation rules:

Extract from legal opinion sought on the proposal:

*The principal is clearly established in Mexican – Taxes on Soft Drinks that WTO looks to the impact of the measure, and not whether protectionism was an objective. So it is ultimately a function of the outcome, not the intention, of the Scheme by which it will be judged against Article III. Though the Scheme may be aimed at developing tourism and the rural economy, this will not prevent it being judged by its impact.*

The idea of linking to sales from productive vineyard or wineries is also unlikely to be an effective defence to a challenge of unequal treatment, because the measure in effect places additional barriers in the way of imported wines, and relatively few producers of imported product have such UK premises. Requiring producers of imported products to have local cellar door vineyard or wineries present in effect a technical barrier to trade by requiring a potentially expensive investment in a domestic site. Imported products without a productive UK vineyard or winery would be excluded from benefit.

The more ambitious in scale the more likely it is to be challenged. The Scheme proposed is for up to 50,000 bottles per producer, which assuming a duty rate of £2.57 (i.e. based on current duty charges on 12% ABV products) amounts to a maximum £128,500 per producer.

Comparing this to the Australian scheme and converting AUD to GBP at an exchange rate of approx. 2:1, **the relief to UK producers under the Scheme substantially (approx. £50,000) less generous to each producer than the maximum available to Australian producers of AUD350,000. As well as seeing the Australian WET as a precedent, it is difficult to see how WTR affecting around 0.1% of wine sales would distort the market** so as to afford protection, especially as WineGB predict beneficiaries of the Scheme:



*"...will not use any duty relief to lower prices to undercut their competition. Investment and business growth is more important and useful to their business in the medium to long term than any short-term endorphin rush that a slight reduction in pricing might deliver."*

The key question to consider as to whether the Scheme would withstand a challenge, is if the impact on the market of like products as a whole affords protection. **Even if there is unequal treatment in principle, are the individual producer thresholds proposed in the Scheme so low as to fall within the de minimis exemption referred to in Japan Alcoholic Beverages II so not in fact to afford protection by virtue of it being minimal in terms of impact on the market?**

#### **Conclusion:**

Bearing in mind the current scale of UK wine production sold at producers own premises as a proportion of the UK market for wine sold, it is my opinion **that a scheme of cellar door sales relief for small wine producers could be introduced without risking a breach or well-founded challenge to the UK's obligations under GATT / WTO rules.** Mr Laughton as an independent expert wine statistician supports the notion as a question of fact, **a duty concession impacting only 0.1%<sup>31</sup> of sales is so marginal that it could not be said to distort the market so as afford any effective protection to domestic products,** and WineGB in any event envisage that the relief would not impact prices at which wines are sold from producers own premises. **In addition, there is the precedent set by the Australian WET scheme which has gone without WTO challenge in a much more significant country of wine production than the UK. Accordingly, the Scheme proposed, based on the current market and volumes of wine sold at producers own premises would, in my opinion be compliant with WTO Rules.**



EST. 1952

**HAMBLEDON**

VINEYARD

## Case Study: Hambleton

Hambleton\* is located on the Hampshire South Downs and produces traditional method sparkling wines from grapes grown across 220 acres. As the UK's first commercial vineyard, with the first vines planted in 1952, it is often considered the birthplace of English wine.

Today, under the stewardship of Berry Bros. & Rudd and Symington Family Estates, Hambleton tourism is central to Hambleton's vision. In February 2025, the estate opened a new visitor centre designed to become the flagship hospitality-led destination in English wine. It offers three food and beverage spaces as well as private dining, tasting rooms and WSET Level 1 and 2 wine education courses.

The estate is deeply engaged with its local community, sourcing ingredients and services from nearby farms, food vendors, and tradespeople, while also partnering with local florists, B&Bs, and pubs. An estate membership is offered to residents within a mile.

Hambleton is also part of the Vineyards of Hampshire initiative and is building a local trail with heritage and cultural partners.

Hambleton in numbers

- 40 hospitality staff, with up to 80% living within 20 minutes. An additional team of 6, operate the Cellar Door
- Sales are closely tied to tourism. Hambleton welcomed circa 18,000 visitors in 2025 and is aiming for 60,000 by 2030
- Hospitality currently represents 40% of turnover, expected to rise to 55% by 2030
- Cellar door contributes around £65,000 of annual revenue of £160,000 (approx.)

***Wine Tourism Relief would help Hambleton invest in people by expanding apprenticeships, training, and career development opportunities for local staff, contributing significantly to the local economy and the wider English wine industry.***

\* See Annex I - Case Studies Contact Details

## 10. Conclusion

Wine Tourism Relief, should the Government see fit to grant it, will unlock rural business potential enabling investment in high quality jobs and ensuring business resilience for an agricultural product. It would allow for money currently collected for excise duty on sales at domestic vineyards and wineries to go back into the business. It emulates the Australian Model that induces wine businesses to diversify beyond the product to invest in place through tourism and thereby building business resilience.

Wine is more than a drink, it's about shared experiences in welcoming settings. Many producers expand beyond winemaking into hospitality, offering tours, tastings, and events in scenic countryside locations. Wine tourism and on-site engagement with local communities and visitors represents a new, relatively untapped tourism category and one of the few expanding areas within the UK hospitality sector.

Today, wine tourism accounts for nearly 25% of vineyard income for the roughly 300 English and Welsh vineyards that offer a tourism experiences. They rely on the wines they sell directly to visitors and return customers through their cellar door, as well as additional services of tours, dining and overnight stays, which is a major driver of local growth<sup>[29]</sup>. Even among those without a formal tourism offering, most provide cellar door services to repeat local customers and, in some cases, seasonal or ad-hoc tourism experiences. For wine businesses that embrace tourism, it is a vital part of their business model and resilience.

On-site sales, both one-off and repeat, help stabilise revenue and support adjacent sales. In asking for WTR we are not asking for relief on all sales. We are focusing specifically on the approximately 19% of UK wine sales (1.73 million bottles out of 9.1 million<sup>[30]</sup>) which are made directly to local customers and tourists via the cellar door. This amounts to 0.125% of the UK's total wine market<sup>[31]</sup>.

WTR in function should be a duty relief capped at a maximum of 50,000 75cl bottles per producer (with no cliff edge) to be applied to on-site wine sales through the cellar door. Such a duty relief would reduce duty collected on cellar door sales to approximately 1.4 million (from between 1.4 – 1.6 million) bottles, or circa 0.1% of total UK wine clearances in a 12-month period.

[29] [WineGB UK Wine Tourism in 2024 Report](#)

[30] [Page 18-19, WineGB Industry Report 2025 which focuses on the 2024 calendar year.](#)

[31] We estimate that for the most recent 12-month period (May 2025 - July 2025) that total wine clearances are probably in the range of 1.4 to 1.6 billion (75cl) bottles (down from 1.75 billion in 2022). The 9.1 million bottles / 0.65% figure is based on the lower end of this estimate.

This WTR proposal would introduce some balance into the level of support that Government provides to different alcohol beverage categories. Wine businesses cannot avail of SPR because the current ABV threshold of 8.5% effectively excludes it and Draught Duty Relief specifically excludes the small segment of the wine market that might otherwise have availed of it. Neither does WTR risk “a breach or well-founded challenge to the UK’s obligations under GATT / WTO rules”.

WTR is a strategic move to unlock the potential of the UK’s wine sector. By reducing duty costs on local and tourism-related sales, it empowers producers to grow sustainably, enhance their offerings, and contribute more significantly to rural economies and the national hospitality landscape.

WTR is intended as a duty relief savings that would see the re-investment of duty relief savings in on-site facilities, helping businesses expand, improve quality, and enhance their tourism offerings.

The cellar door is a key sales channel for domestic wine producers. WTR is intended to leverage that sales channel to offer.





## Case Study: Wraxall Vineyard

Wraxall Vineyard\* in the Southwest of England is one of the oldest vineyards in Britain having been first planted in 1974. Its latest incarnation began in 2021 when David Bailey and Lexa Hunt bought the vineyard (staving off threats of the it being grubbed up in favour of solar panels and a caravan park) and invested circa £1.5m to turn around the business, which now generates a small profit.

Wraxall now has a wine tasting space with views across the vineyard and 25 miles over the Somerset countryside, open five days a week for tastings, lunches, dinners, private events and small weddings. All produce used in a tourist setting is purchased locally and service and maintenance suppliers are sourced locally.

The old winery at the foot of the vineyard is now two catered cottages and two shepherds' huts have also been installed in all accommodating 20 people. The vineyard has also been expanded (due to demand for wine) and now sits at 13.5 acres with production looking to reach between 15-20,000 bottles per annum.

### Wraxall in numbers

- Wraxall has grown from one full time employee in 2021 to 35 staff members in 2025
- Visitor numbers have grown from 600 visitors in 2021 to 12,000 in 2025
- 80-85% of all wine produced is sold on site at full retail price

***Wine Tourism Relief would see Wraxall reinvest savings back into the vineyard to assist covering year-on-year maintenance costs for the various fixed assets and expanding the Shepard's huts accommodation units.***

\* See Annex I - Case Studies Contact Details

# Annex I - Case studies contact details



## All Angels

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[www.allangels.com](http://www.allangels.com)

01635 896220

Regional Association: [Thames & Chilterns](#)

Encompassing: Berkshire, Buckinghamshire, Oxfordshire, London West.



## Denbies Wine Estate Ltd

London Road, Dorking, Surrey, RH5 6AA

[www.denbies.co.uk](http://www.denbies.co.uk)

01306 742 002

[reception@denbiesvineyard.co.uk](mailto:reception@denbiesvineyard.co.uk)

Regional Association: [WineGB South East](#)

Encompassing: Kent, Surrey, Sussex, London South.



## Hambleton Vineyard

Hambleton, Hampshire, PO7 4RY

[www.hambletonvineyard.co.uk](http://www.hambletonvineyard.co.uk)

02392 632 358

[info@hambletonvineyard.co.uk](mailto:info@hambletonvineyard.co.uk)

Regional Association: [WineGB Wessex](#)

Encompassing: Dorset, Hampshire, Isle of Wight, Wiltshire.



## Laurel Vines Vineyard and Winery

Aike, Drifffield, East Yorkshire, YO25 9BG

[www.laurel-vines.co.uk/](http://www.laurel-vines.co.uk/)

07513 012708

[info@laurel-vines.co.uk](mailto:info@laurel-vines.co.uk)

Regional Association: [WineGB Midlands & North](#)

Encompassing: Midlands, North East, North West, Scotland.

## TINWOOD ESTATE



### Tinwood Estate

Halnaker, Chichester, West Sussex PO18 0NE

[www.tinwoodestate.com](http://www.tinwoodestate.com)

01243 537372

[info@tinwoodestate.com](mailto:info@tinwoodestate.com)

Regional Association: WineGB South East

Encompassing: Kent, Surrey, Sussex, London South.



### Velfrey Vineyard / Gwinllan Velfrey

Lampeter Velfrey, Narberth, Pembrokeshire, SA34 0RA

[www.velfreyvineyard.com](http://www.velfreyvineyard.com)

07950 886644

[info@velfrey.com](mailto:info@velfrey.com)

Regional Association: Welsh Vineyard Association

Encompassing: The counties of Wales

THE WHARIE  
WINERY  
BREWERY  
CIDERY  
EXPERIENCE

### The Wharie Experience

South Sway Lane, SO41 6DP

[www.wharie.co.uk](http://www.wharie.co.uk)

07517492769

[info@wharie.co.uk](mailto:info@wharie.co.uk)

Regional Association: WineGB Wessex: Dorset, Hampshire, Isle of Wight, Wiltshire.



### Wraxall Vineyard

Wraxall Road, Shepton Mallet, Somerset, BA4 6RQ

[www.wraxallvineyard.co.uk](http://www.wraxallvineyard.co.uk)

07586 528 984

[info@wraxallvineyard.co.uk](mailto:info@wraxallvineyard.co.uk)

Regional Association: WineGB West

Encompassing: Cornwall, Devon, Somerset, Avon, Worcestershire, Gloucestershire, Herefordshire, Isles of Scilly, Channel Islands.

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