Price of a pint tops a fiver

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Industry

Brewers are warning the average price of a pint of bitter will rise to more than £5 as pub operators offset incoming tax rises. The sobering milestone is likely to be reached next month, according to research by Frontier Economics, with the average price of a pint of beer on course to hit £5.01, up from £4.80. The British Beer and Pub Association (BBPA), which commissioned the research, said pub operators have been left with no choice as they face greater overheads due to an increase in the national minimum wage, a rise in national insurance rates and a decrease in the threshold at which they have to start paying it. BBPA chief executive Emma McClarkin said: “The cumulative impact of these taxes and regulations is now plain to see and it is highly unfortunate that the only way many pubs can remain viable is to pass on the array of upcoming costs to consumers. “No one wants to see the cost of an average pint increase by a further 21p and break the £5 average barrier that will be required for pubs to maintain their punishingly slim profit margins. “It is more urgent than ever that government looks at ways to cap or reduce the costs of doing business so we can keep pubs open, preserve their community value, and make sure the price of a pint remains affordable for all.” The BBPA is calling on the government to urgently review new chaotic and unfair packaging fees, deliver meaningful business rates reform, and phase in the new employment costs. While the Budget announcement of a penny duty cut on draught products and lower utility prices offered some relief, the new policies will drive up costs in 2025. Frontier Economics associate director Tim Black said: “The beer and pub sector has shown real resilience through a tough few years – navigating the pandemic, the energy crisis, and the cost-of-living squeeze. “Trading conditions are still challenging, but businesses have adapted. There are signs of improved sentiment and fresh investment as extreme pressures ease and consumer confidence slowly picks up. “But more headwinds are coming. The sector is at the sharp end of a wave of policy changes that will push up costs – higher wages, increased National Insurance, reduced business rates relief, and new packaging rules. “The cumulative impact will be significant. It’s vital that policymakers recognise these pressures and ensure the environment supports investment and growth.”