

### Comparison between SBDR and SIBA Proposals

<u>Point</u>	<u>No reform</u>	<u>SIBA proposal</u>	<u>SBDR proposal</u>
SBR relief extended to 200,000 hl	✘	✔	✔
Export sales excluded from duty relievable volume	✘	✔	✔
3 year transitional relief to facilitate business mergers, sales or retirement	✘	✔	✔
Review of system after 3/5 years	✘	✔	✔
Phasing in of any changes	✘	?	✔
Barrier to growth at 5,000 hl removed?	✘	Partially	✔
Barrier for small brewers to compete removed?	✘	✘	✔
SBR more closely matches diseconomy of scale?	✘	✘	✔
Removal of disincentives to grow?	✘	Partially	Mostly
Fairer system for small brewers of all sizes up to 200,000hl?	✘	✘	✔
Immediate benefit to what % of small brewers?	✘	Est. 10-15%	90% plus
Long term benefit to all brewers?	✘	✘	✔
Short term extra cost to the Treasury?	✘	c £8-12m	c £3-6m
Long term cost neutral to Treasury?	✘	✘	✔
Encourages lower strength beer brewing amongst smaller brewers	✘	✘	✔

## **Comparison between SBDRC and SIBA Proposals**

Please note: No Industry body can guarantee what the Treasury will decide to do – we can only make strong recommendations. A united voice is best but if this cannot be achieved then The Treasury are likely to consider a solution that is in the interests of the vast majority of brewers.

### **Summary:**

- Reform is called for by all the Trade bodies – the Coalition of Small Brewers, SIBA, CAMRA and the BBPA.
- No reform helps no one.
- The Coalition proposals address most if not all of the current problems with the SBR system and will be acceptable to the Treasury as they are long term cost neutral.
- The SIBA proposals do not address the core problems with the current SBR system and almost certainly will not be accepted by the Treasury because they exceed the cost the Treasury have said they will accept
- So the only effect that SIBA proposals could achieve is continue blocking reform for the vast majority of small brewers in the UK.
- The Coalition proposals are deliverable and will benefit nearly all brewers in the UK. They will create a more sustainable cask beer market.