
INTERNATIONAL COMPARISONS OF **IRISH ALCOHOL EXCISE TAXATION** IN THE EUROPEAN UNION AND THE UK IN 2025

by **Anthony Foley**,
Dublin City University Business School

FOREWORD

The persistently high cost of doing business in Ireland has placed significant strain on indigenous hospitality businesses. Pubs and restaurants in towns, cities and rural areas across the country are grappling with a high and unnecessary cost base, compounded by one of the highest excise tax rates on alcohol in Europe.

These financial pressures have fuelled a sustained wave of pub closures across Ireland, with more than 2,100 establishments permanently shutting their doors since 2005 - an average of 112 per year. These were predominantly small, family-run businesses, particularly concentrated in rural counties such as Limerick, which has seen a 37.2% decline, and Offaly, with a 34.1% decline. In all, eight rural counties have lost more than 30% of their pubs while every single county registered a decline in pub numbers. Each closure leaves a lasting void in its community, stripping the locality of both a social gathering place and an important contributor to the local economy.

Our research forecasts that a further 600-1,000 pubs could close over the next decade, due in large part to a very difficult environment of higher costs, economic uncertainty and changing consumer trends.

“The Irish Pub” is far more than a business. It is a cornerstone of cultural life, a place where stories are shared, friendships forged, and traditions sustained. Its value as a tourist attraction is equally significant, drawing thousands of visitors from around the world each year. Ireland’s world-renowned hospitality sector brings a significant economic contribution to the country annually.

Taxation Policy

As things stand, the contribution that this industry brings to Ireland’s cultural and economic life is not reflected in national policy or the level of support it receives from Government on an annual basis. Irish hospitality businesses are faced with the second highest excise tax rate in the EU and UK, surpassed only by Finland, placing an unsustainable burden on indigenous pubs, restaurants, distilleries and breweries. This is in addition to 23% VAT on alcohol. These are all businesses that have experienced sustained challenges from the macroeconomic environment in recent years.

The only countries comparable to Ireland in terms of high levels of alcohol excise are the UK, Sweden and Finland, with all other 24 EU economies, to varying degrees, having much lower alcohol excise rates compared to Ireland. Without a Government strategy and willingness to support the sector and a revision of this punitive tax regime, many more pubs will inevitably disappear from Ireland’s towns and villages in the years to come.

When compared with European peers, Ireland’s rates stand out as excessively high, particularly given that Irish alcohol consumption is now broadly in line with the EU average, having fallen dramatically in recent years. Ireland has the second-highest wine excise, the third-highest beer excise, and the third-highest spirits excise across the 27 EU states and the UK. Fifteen EU countries impose no excise on wine at all.

The disparities are stark. Ireland’s beer excise is 11.4 times higher than Germany’s, and our spirits excise is 4.4 times higher than Spain’s. In Spain, the excise on an off-licence bottle of whiskey is just €2.69, compared with €11.92 in Ireland - a difference of €9.23.

These costs are borne not only by businesses but also by consumers. An Irish customer pays €0.55 cent in excise on a pint of beer, where a German consumer pays only €0.05. On a glass of wine, Irish excise is €0.80, compared with just €0.01 in France. This pricing gap erodes competitiveness, drives down footfall, and risks further accelerating closures in an already-struggling sector.

Our Ask

If Ireland truly values its indigenous pubs, restaurants, breweries, and distilleries, this must be reflected in a fairer, more progressive tax policy, one that enables Irish businesses to compete on a level playing field with their European counterparts.

The need for change is now critical. Rising threats to international exports from new trade tariffs, combined with an already turbulent global economic climate and a downturn in inbound tourism, are placing unprecedented pressure on the sector. Without urgent reform, Ireland risks undermining the very businesses that are cornerstones of our economy, culture, and global reputation.

Reducing Ireland's excise tax rate, which is the overall second highest in the EU should be an absolute priority in Budget 2026. The Drinks Industry Group of Ireland (DIGI) is therefore proposing an immediate 10% reduction in the rate of excise on alcohol, which would immediately improve the commercial viability of thousands of hospitality businesses across the country. This should be followed by a multi-year series of reductions to align Ireland with the lower excise tax EU members. This reduction would provide vital relief to enterprises at risk of closure, safeguard jobs, promote Ireland as a value-for-money destination and help preserve a cornerstone of Ireland's world-renowned hospitality offering for future generations.



Donall O'Keeffe

Secretary, The Drinks Industry Group of Ireland (DIGI),
CEO, The Licenced Vintners Association (LVA).

IRELAND'S EXCISE TAX RATES AT A GLANCE



In **Ireland**, a pint of Irish beer served in a pub is levied with an excise tax of **55 cents**.

In a **German pub**, that same pint of Irish beer has an excise tax of just **5 cents**.

In **Ireland**, a 70cl bottle of Irish whiskey sold at an off-licence is levied with an excise tax of **€11.92**.

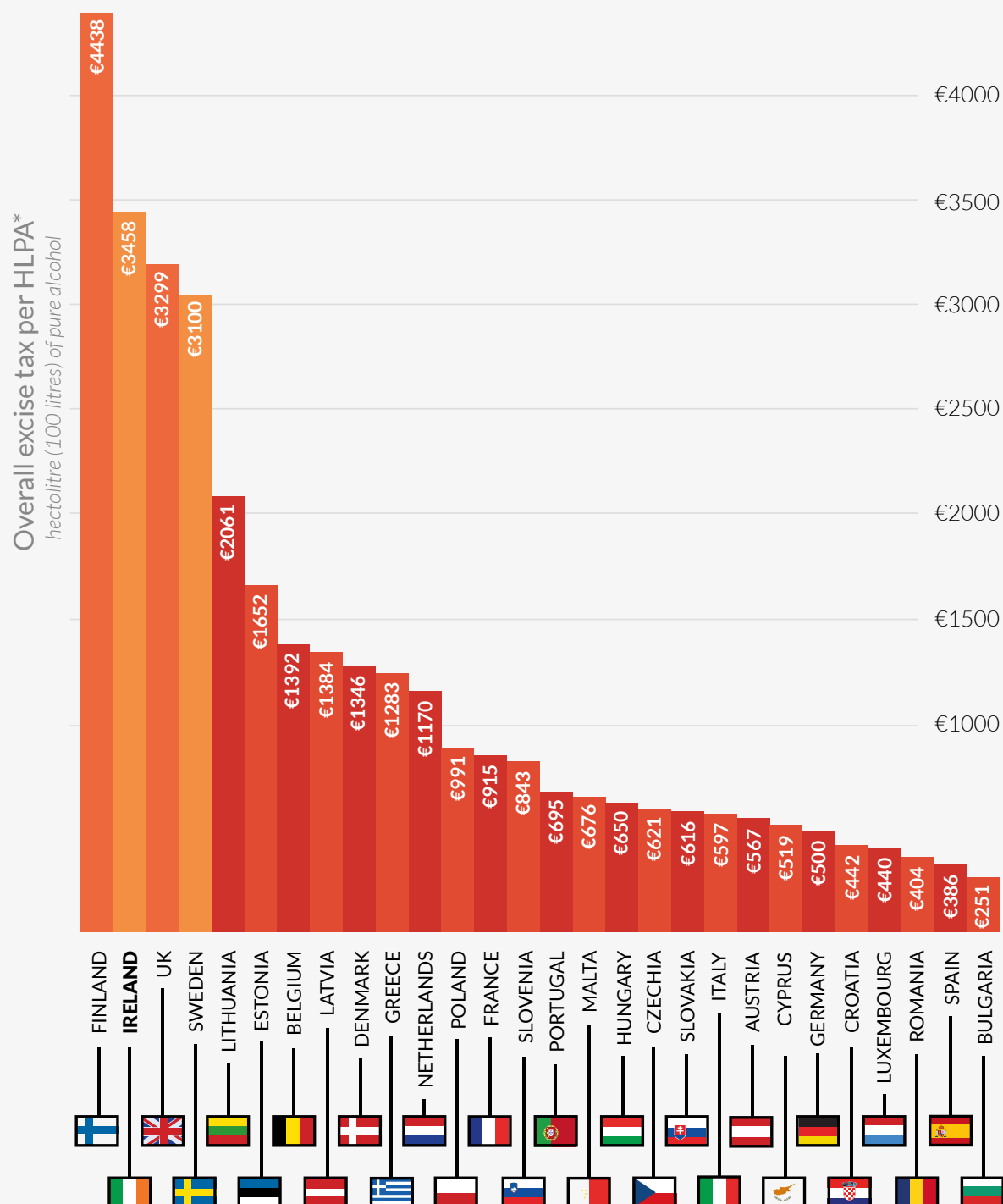
In a **Spanish off-licence**, that same bottle of Irish whiskey has an excise tax of **€2.69**.



In **Ireland**, a 187ml glass of wine served in a restaurant is levied with an excise tax of **80 cents**.

In **France**, a glass of wine has an excise tax of just **1 cent**.

IRELAND'S OVERALL EXCISE TAX RATE VS REST OF EUROPE



IRELAND'S EXCISE TAX RATES RANKED



Ireland has the **second highest overall excise tax rate** on alcohol in the EU+UK.¹



FINLAND

Excise tax per HLP A²
€4,438



IRELAND

Excise tax per HLP A
€3,458



UK

Excise tax per HLP A
€3,299

Three lowest:



ROMANIA

€404



SPAIN

€386



BULGARIA

€251

¹“Overall excise tax on alcohol” measures the weighted average of a country’s wine, beer, and spirits excise rates.

² Hectolitre (100 litres) of pure alcohol.



Ireland has the second highest EU+UK excise tax rate on wine.



Ireland has third highest EU+UK excise tax rate on beer.*



Ireland has the third highest EU+UK excise tax rate on spirits.



FINLAND
Excise tax on a glass of wine

86c



IRELAND
Excise tax on a glass of wine³

80c



UNITED KINGDOM
Excise tax on a glass of wine

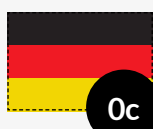
72c

Three lowest:



ITALY
Excise tax on a glass of wine

0c



GERMANY
Excise tax on a glass of wine

0c



SPAIN
Excise tax on a glass of wine

0c



FINLAND
Excise tax on a pint of lager

88c



IRELAND
Excise tax on a pint of lager

55c



UNITED KINGDOM
Excise tax on a pint of lager

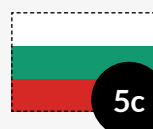
54c

Three lowest:



SPAIN
Excise tax on a pint of lager

5c



BULGARIA
Excise tax on a pint of lager

5c



LUXEMBOURG
Excise tax on a pint of lager

5c



FINLAND
Excise tax on a glass of whiskey

78c



SWEDEN
Excise tax on a glass of whiskey⁴

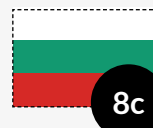
67c



IRELAND
Excise tax on a glass of whiskey

60c

Three lowest:



BULGARIA
Excise tax on a glass of whiskey

8c



CROATIA
Excise tax on a glass of whiskey

11c



CYPRUS
Excise tax on a glass of whiskey

13c

³Standard restaurant or pub measure, 187ml. ⁴Standard spirit measure.

*using the UK non-draught beer excise, see full comprehensive report for detail



15 EU countries do not charge any excise tax on wine.



AUSTRIA



BULGARIA



CROATIA



CYPRUS



CZECHIA



GERMANY



GREECE



HUNGARY



ITALY



LUXEMBOURG



PORTUGAL



ROMANIA



SLOVAKIA



SLOVENIA



SPAIN



To read the full *International Comparisons of Irish Alcohol Excise Taxation in the European Union and the UK in 2025*, including notes on methodology, visit - <https://drinksindustry.ie/industry-research>.

Drinks Industry Group of Ireland

Angelsea House,
Angelsea Road, Ballsbridge,
Dublin 4. | Tel: 01 668 0215

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