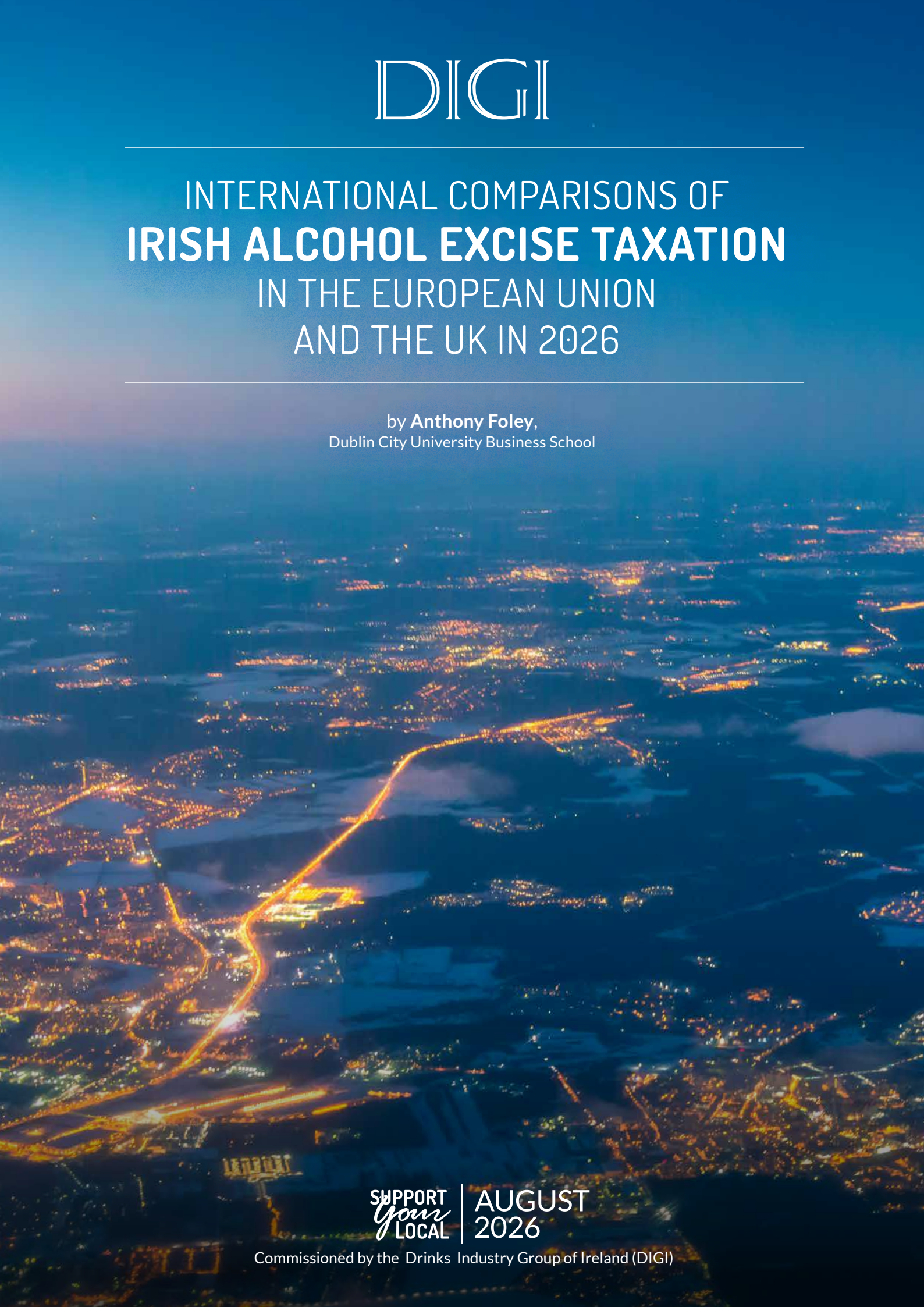




DIGI

INTERNATIONAL COMPARISONS OF
IRISH ALCOHOL EXCISE TAXATION
IN THE EUROPEAN UNION
AND THE UK IN 2026

by **Anthony Foley**,
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Commissioned by the Drinks Industry Group of Ireland (DIGI)

FOREWORD

The high cost of doing business across Ireland continues to endanger family-owned pubs across the country. From urban centres to small rural villages, pubs and restaurants are struggling to survive amidst consistently increasing overheads. These costs are compounded by an alcohol excise tax rate that is amongst the most punitive in Europe.

Cost pressures have driven an ongoing cycle of closures in Ireland. Each pub closure represents far more than a lost family business; it removes a vital community hub and reduces economic productivity in impacted areas.

Taxation Policy

Despite the immense cultural and commercial value of this industry, the State has consistently failed to offer long-term support. Irish hospitality operators are burdened with the second-highest composite alcohol excise tax in both the EU and the UK, outranked only by Finland.

This heavy excise burden comes on top of a 23% VAT rate on alcohol sales, severely punishing indigenous distilleries, breweries, pubs, and restaurants already struggling under macroeconomic headwinds.

Outside of the UK, Sweden, and Finland, no other European country subjects its hospitality trade to such intense tax pressures; the remaining 24 EU economies operate with significantly lower excise duty regimes. Without a deliberate Government commitment to reform this punitive fiscal policy, the decline of Ireland's local pub network will only accelerate.

Compared to our European neighbours, Ireland's tax stance is increasingly difficult to justify, especially given that domestic alcohol consumption has dropped substantially in recent years and now sits broadly in line with the EU average. Yet, Ireland maintains the second-highest wine excise, the third-highest beer excise, and the third-highest spirits excise across all 27 EU member states and the UK. The international divide is striking. Ireland's excise on beer is 11.4 times higher than Germany's, while our spirits excise is 4.4 times higher than Spain's. In Spanish retail, the excise duty on a 70cl bottle of whiskey is just €2.69, compared to an extraordinary €11.92 in Ireland - a gap of €9.23 per bottle. Some 14 EU nations impose no excise duty on wine whatsoever.

This heavy tax burden directly impacts both the public house and the everyday consumer. An Irish patron pays €0.55 in excise on a pint of beer, whereas a German patron pays just €0.05. On a glass of wine, Irish excise reaches €0.80, compared to a single cent (€0.01) in France. This artificial price inflated gap damages our international value-for-money reputation, dampens local footfall, and pushes fragile businesses closer to collapse. High excise also has knock-on impacts on associated businesses such as distillers, brewers and off-licenses.

Our Ask

If the Government is truly committed to protecting Ireland's indigenous hospitality, distilling, and brewing sectors, that commitment must translate into a modern, fair, and competitive tax structure that gives Irish businesses a fighting chance alongside their European peers.

The moment for intervention is urgent. Heightened risks around international trade tariffs, ongoing economic instability, and tourism numbers are adding immense strain to an already fragile trade. Without fast fiscal action, Ireland risks damaging the very businesses that define our culture, support regional livelihoods, and anchor our tourist appeal.

Lowering Ireland's second-highest European excise rate must be treated as an absolute priority in Budget 2026. The Drinks Industry Group of Ireland (DIGI) is advocating for an immediate 10% reduction in alcohol excise duty to deliver instant commercial relief to thousands of venues nationwide. This initial step must be accompanied by a clear, multi-year strategy to bring Irish excise rates back in line with European norms. Implementing this reduction will contribute to improved commercial viability, protect regional jobs, bolster Ireland's tourist appeal, and preserve a cornerstone of Irish community life for generations to come.



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**.

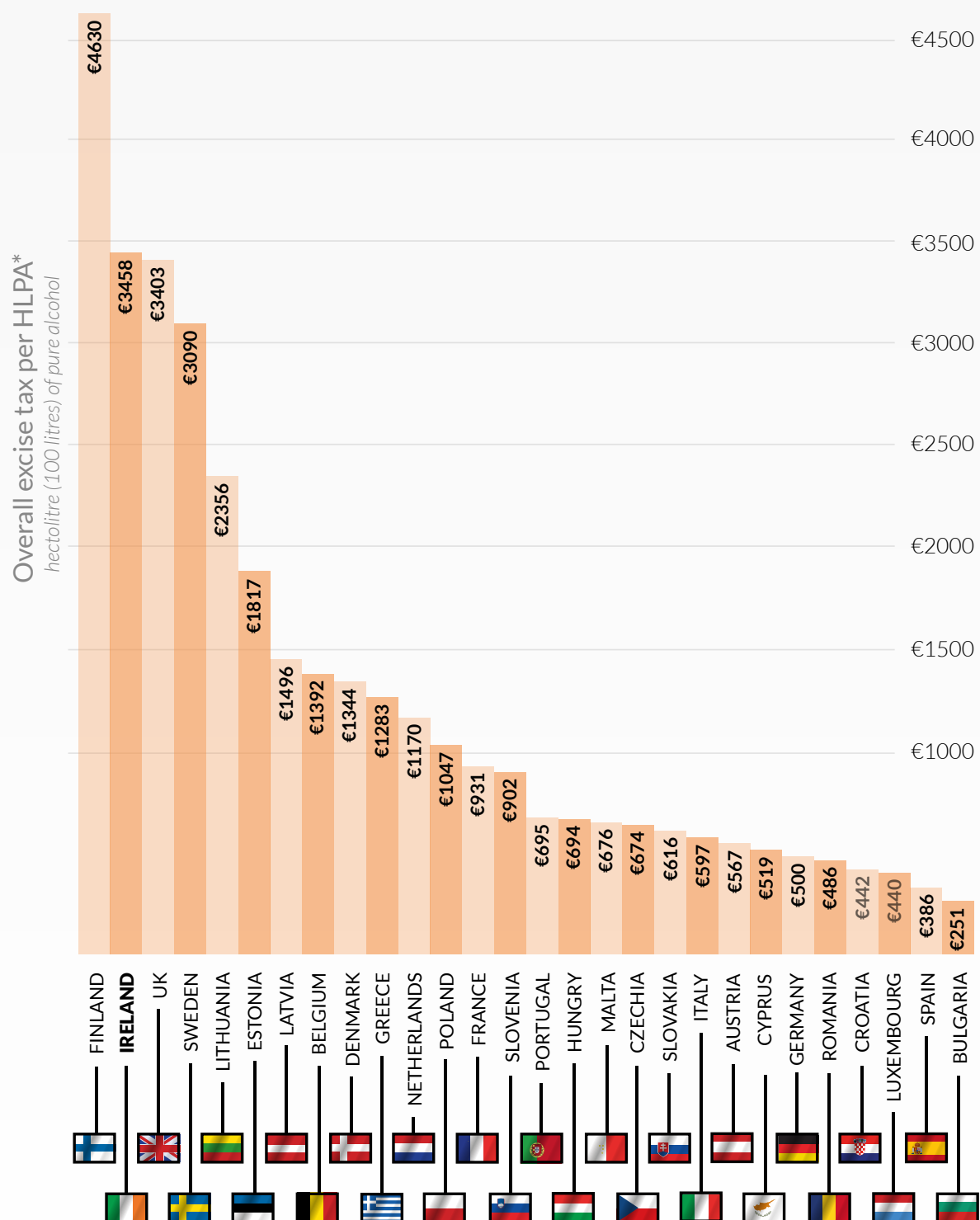
In a **Spanish off-licence**, that same bottle of Irish whiskey has an excise tax of **€2.69**.



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 HLP²
€4,360



IRELAND

Excise tax per HLP²
€3,458



UK

Excise tax per HLP²
€3,403

Three lowest:



LUXEMBOURG

Excise tax per HLP²
€440



SPAIN

Excise tax per HLP²
€386



BULGARIA

Excise tax per HLP²
€251

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

²Hectolitre (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

95c



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

90c



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

79c



SWEDEN
Excise tax on a glass of whiskey⁴

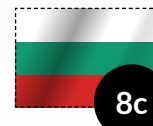
67c



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



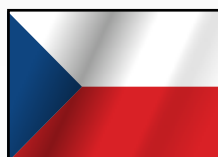
BULGARIA



CROATIA



CYPRUS



CZECHIA



GERMANY



GREECE



HUNGARY



ITALY



LUXEMBOURG



PORTUGAL



ROMANIA



SLOVAKIA



SLOVENIA



SPAIN

DIGI

To read the full *International Comparisons of Irish Alcohol Excise Taxation in the European Union and the UK in 2026*, including notes on methodology, visit - <https://drinksindustry.ie/industry-research>.

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