

# Drinks Sector Proposition

› LOCATE  
EAST SUSSEX



# UK Overview

- Current market outlook
  - Concerns
  - Opportunities

# UK OVERVIEW

## CURRENT MARKET OUTLOOK

The UK alcoholic drinks market is incredibly buoyant, **projecting £8.76bn billion in sales revenue in 2022**. Further sector **growth of between 10-15% is expected** in the next five years. Over 80% of adults in the UK consume alcoholic drinks, with only 18% reporting to have not drunk any in the three months to November 2017. In recent years the off-trade segment has outperformed the out-of-home channel, this is largely a reflection of the lower price of alcohol in shops and supermarkets. The resulting fall in on-trade footfall has led to the closure of an increasing number of pubs, but the on-trade has been supported by the popularity of modern bars and casual dining venues.



- **SOURCE:** Statista.com - 2022
- **SOURCE:** The Drinks Business: Alcohol sales rise by £172 million as 'premiumisation' grows in UK supermarkets, December 2017



## OPPORTUNITIES

The changing market attitude has prompted a spike in innovation, from craft beer, fruit ciders, and Kombuchas to the prevalent premiumisation across numerous categories – the UK alcohol market as a whole is enjoying a period of increased opportunity. UK beer brewers are expected to face increased competition from alternative drinks producers, but this should be seen as an opportunity to diversify and offer a wider portfolio of drinks. Operators in the spirit production industry have prospered due to their investment in innovation. The resulting surge in spirit popularity, may mean that traditional beer consumption feels the pinch, however, buoyant demand for craft and heritage beer is indicative of resilience in the overall beer market.



- Revenue in the Beverages segment is projected to reach £8.76bn in 2022.
- Revenue is expected to show an annual growth rate (CAGR 2022-2025) of 13.63%, resulting in a projected market volume of £12.85bn by 2025.
- User penetration will be 24.4% in 2022 and is expected to hit 28.8% by 2025.
- The average revenue per user (ARPU) is expected to amount to £523.70.







## OVERALL

Brands that can ***establish clear points of difference*** from the mainstream, will be best placed to thrive in the years ahead.

## CONCERNS

As a nation the UK has become more informed and health conscious. Add to that an ageing population, changing social attitudes towards alcohol as well as increasing competition from substitute non-alcoholic beverages, and it's not surprising to learn there has been a decline in per-capita alcohol consumption over the five-year period through to 2017-18. Just over a quarter of adults in the UK have cut down their spending on alcohol to save money and lead healthier lives.





# East Sussex Industry Overview

- Current market outlook
- Opportunities
- Beverages



# EAST SUSSEX INDUSTRY OVERVIEW

## CURRENT MARKET OUTLOOK

Eighty-five percent of adults in East Sussex regularly enjoy an alcoholic drink. The drinks sector contributes significantly to our social and economic landscape. Locally, the drinks industry employs over 4,000 people in pubs, bars and in 11 breweries, producing over £45 million in wages. Many of these venues are also an integral part of the local tourism industry. By 1840, there were 50,000 breweries in England – a substantial proportion of which were in the South East. Although most things have changed in the past 180 years, the South East continues to be home to some of the best independent breweries in England.

## OPPORTUNITIES

Recent years have seen an upsurge in entrepreneurial spirit in the drinks sector, which will be touched on below but developed in more depth further in this document.



- **SOURCE:** East Sussex Alcohol Strategy 2014-2019
- **SOURCE:** Beer and Pubs Association: Regional Study 2010/11
- **SOURCE:** Mintel: Soft Drinks Review - UK - March 2019 and Carbonated Soft Drinks - UK - June 2019

# BEVERAGES

**BEER:** Harveys Brewery, founded in 1790 in Lewes, is the oldest and the most well known brewery in East Sussex. Paired with the success of craft beer brewers in the county, this paints a prosperous industry picture in East Sussex.

**CIDER:** The Normans introduced cider to Sussex in the 11th century and it has never really gone out of favour.



**WINE:** Plumpton College in East Sussex is the UK's centre for excellence in wine, offering renowned training for vineyards and wineries. This coupled with the success of a number of local vineyards, including Ditchling based vineyard Ridgeview – which has achieved world recognition not least from the Decanter World Wine Awards, where it won the award for the World's Best Sparkling Wine! Success like this puts Sussex wine firmly on the world stage.

**SOFT DRINKS/MIXERS:** Soft drinks sales are forecast to increase 13% to £20.8 billion by 2023 making this an area of interest.

**KOMBUCHA:** The rising demand for natural and organic drinks is expected to result in an increased consumption of kombucha.

**SPIRITS:** Harley House Distillery, a distillery in Seaford, uses locally sourced water from an aquifer in the South Downs which is tested twice a year in a laboratory for potability.



# Beer

- Industry overview
- Production
- Craft beers
- Sustainability focus
- Good Thing Brewing
- Harvey's Brewery
- Burning Sky
- Beak Brewery
- Brewing Brothers

# INDUSTRY OVERVIEW

Revenue: £9bn  
UK Businesses producing Beer: 2,530

Craft Beer Growth 2022: 9.3%  
Projected Growth 2022 - 2025: 14.96%

The beer market has proved to be resilient in recent years, with expectations that it will grow modestly across the next five-year period. This growth is in part driven by the ageing population in the country who have more disposable income.

Beer brewers account for roughly 17% of the barley consumption worldwide and recent reports discuss how climate change 'will' lead to barley shortages, putting upwards price pressures on beer.

It is a period of strong opportunity for the sector. The continued rise of craft beer is expected to encourage industry growth, especially in the short term as it is the catalyst for product development and increased innovation.

Demand for high-quality craft beer is expected to remain buoyant, helped in no small way by a freeze on alcohol duties announced in the spring of 2019.

According to the Society of Independent Brewers (SIB), current consumer research points to quality over quantity being of utmost importance in consumer beer choices during periods of economic downturn. Over the five year-period through to 2023-24, industry revenue is forecast to increase at a compound annual rate of 1.5%, to reach £9.6 billion.

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- **SOURCE:** *Ibis World: Beer Production in the UK – Oct 2022*
  - **SOURCE:** *Statista.com - 2022*



# BEER PRODUCTION MARKET

Beer in the UK can be broadly segmented into three groups: ale, lager and stout. Historically the majority of beer produced in the UK until the 1960s was ale or stout. However, the popularity of lager has increased dramatically since the 1970s and it now accounts for over half - approximately 64.2% - of all beer produced in the UK. Ale and especially craft ale, has however enjoyed a revival over the past five years and is expected to account for an increasing share of industry revenue as demand for high-quality and craft ales gathers pace.

One of the foremost trends in the UK beer market in recent years has been the rising prevalence of golden and pale ales. Even traditionally 'dark' beer breweries such as Guinness – which the market recognises as authentic and traditional – have embraced this

trend, launching its own golden ale to secure a share of this market.

Further innovations including health conscious products such as gluten-free beer, have joined the ranks, with more sure to follow.

For craft breweries, pale ales – IPAs in particular – have become a cornerstone of portfolios due to the versatility and scope they offer when it comes to offering impactful flavours. Being able to offer distinct flavour choice is increasingly important as 42% of drinkers rate it as important, especially in the craft sector.

Exploration is important with 73% of the market on record as enjoying trying 'new' beers. In a survey of 3,300 consumers in the UK, US, Belgium, Spain, France, Italy and the Netherlands, 80% of respondents said that they would be open to trying new brands of beer, with just 4% saying that they would not.

Packaging has become a key point of difference as brands battle to stand out and attract new customers. Standout design can sway purchasing decisions, **with 11% of beer drinkers having tried a new beer due to its attractive design.**

# CRAFT BEERS

Small independent brewers, producing high-quality beers in a variety of styles have been responsible for a recent revolution of the craft beer market.. Craft brewers are renowned for producing a more diverse range of high-quality beers, including pale ales and pilsners, than traditional lager brewers.

Both on- and off-trade outlets in East Sussex have responded to buoyant demand for craft beer by stocking more heritage ales and bottled bitters. In April 2017, Waitrose announced it was increasing its range of speciality and craft beer by 27% to a total of 95 beer varieties, while Tesco culled 30 traditional

beer brands to make space for a craft beer selection, indicative of the emerging craft market.

With more than 300 new breweries being set up in the UK in 2016, finding a niche or unique selling point can be a challenge. Luckily, **East Sussex' vibrant pub culture enjoys a symbiotic relationship with craft beer.** The two are a natural fit, which is one of the reasons why local craft beers – and craft beer makers – do so well.

A number of craft breweries are going a step further by embracing taprooms – a space in which a brewery serves its beer to customers. Most taprooms are either part of the actual brewery or attached to it. This gives a friendly space for consumers to explore the variety on offer.

Local award-winning organic beer makers, Gun Brewery, based on the Sussex Weald, has

found its niche in providing health conscious brews. The water used by the Gun Brewery is micro-filtered and UV treated to ensure its purity without the need for chemicals. All Gun brewery beers are unrefined, most are vegan and some are gluten free.

“Major supermarkets, including M&S, have continued to expand their range to cater for an ever-growing number of consumers wishing to explore craft varieties.”

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- **SOURCE:** Ibis World: Beer Production in the UK - June 2018;
  - **SOURCE:** Mintel: Beer – UK – December 2017/ Beer-UK – December 2018;
  - **SOURCE:** FoodBev: Alcohol, Report, 80% of consumers believe craft beer trend will continue



# SUSTAINABILITY FOCUS

Environmental factors are increasingly important with 71% of drinkers stating environmental issues affect their decisions. Environmental concerns are also having an effect on the brands themselves, triggering them to take action.

The most significant environmental issues associated with the operation of breweries include water consumption, wastewater, solid waste and by-products, energy use and emissions to air. The brewing process is energy intensive and uses large volumes of water; with sustainability in mind these facts need to be managed.

Each brand is trying to go further than the one before, in a never ceasing battle to attract more sales. Local Sussex Brewer Long Man has

shown similar dedication resulting in it being named Green Business of the Year 2019 at the Sussex Life Food, Drink & Hospitality Business Awards.

Long Man Brewery has taken environmental issues – such as speculated future barley shortages – into its own hands by growing 500 acres of barley on its own land. Alongside this, all the water used in Long Man beers – approximately 1 million litres per year – is drawn from the company's own bore hole sunk 60 metres into the aquifer beneath the chalk downs.

Eridge based brewer Good Things Brewing has taken sustainability – and zero waste thinking – a step further, the company not only bores its own water, it creates its own power and

turns its spent brewers grain in to flour which is sold to pizza restaurants and bakeries in the local area.

East Sussex is land rich, the soil is fertile and local brewers illustrate time and again how a challenge can quickly become an opportunity!



- **SOURCE:** Mintel Beer – UK – December 2017
- **SOURCE:** Mintel Beer – UK December 2018

# GOOD THINGS BREWING

**Location:** Eridge, Wealden District

**Established:** 2017



GOOD THINGS  
BREWING Co.

Good Things Brewing aspires to not just 'brew beer that just tastes good', but to 'brew beer that's better for the planet too.'

The company's end goal is to become the most sustainable brewery in the world. With solid values, and staff backgrounds in engineering, manufacturing, marketing and distribution, the Good Things Brewing team, want to drive dynamic change in the drinks industry. Good Things Brewing has a simple ethos: take the process of making beer, looking at the lifecycle of the brewing process and make it as efficient and green as possible. By not using chemicals or animal products, the company ensure there's only 'Good Things' in their brew.

With the overarching aim of becoming the first fully sustained brewery worldwide Good Things Brewing has a refreshing approach. Not only does the company use its own off-grid power via solar panels and recycled steam energy, it bores its own water and turns its spent brewers grain in to flour which is sold to pizza restaurants to bakeries.



Established in 2017  
Strong company ethos  
Sustainability focus



# HARVEY'S BREWERY

**Location:** Lewes, East Sussex

**Established:** 1790



Harvey's Brewery in Lewes is the oldest independent brewery in Sussex. Harvey's is a family business, the brewery has been in the guardianship of seven generations of John Harvey's descendants since 1790.

Harvey's produces cask-conditioned, kegged, canned and bottled ales from their brewery on the banks of the river Ouse. In 2005 and 2006, Harvey's Sussex Best Bitter won the Best Bitter category at the CAMRA Great British Beer Festival. The brewery has won many awards including Beer Bods 'Beer of the Year 2020'.

Harvey's only uses hops from Sussex, Kent and Surrey. The water used in the brewing process has been filtered through the South Downs for 30 years and is pumped up from a 60ft well in the brewery.

Harvey's is also the only UK Brewer to still be using returnable bottles. The company estimate its bottles will journey 4 or 5 trips in and out of the Brewery before being recycled.



Established in 1790

Multi award winner

Uses Sussex hops and water

# BURNING SKY

**Location:** Firle, East Sussex  
**Established:** 2013



Producing its first beer in the Autumn of 2013, Burning Sky's entrance to the market did not go unnoticed and the company was named 'Brewer of the Year 2014' by The Guild of British Beer Writers, and '4th Best New Brewery in the World 2014' by Ratebeer.

Operating from refurbished farm buildings in Firle, Burning Sky is a true farmhouse brewery. The brewery's ambitious owners are the first craft brewery in the UK to install oak foudres in which to age its beers.

The company has also completed the restoration of a Grade 2 listed building allowing the expansion of its footprint and it the continued growth of its range.

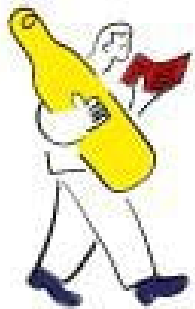


Established in 2013  
Traditional approach  
Multi award winner



# BEAK BREWERY

**Location:** Lewes  
**Moved in:** 2020



# BEAK

The formerly nomadic Beak Brewery has found its permanent home in the cliffs near Lewes town centre. Creating ingenious, complex brews that sell out within hours of release, Beak Brewery now has a taproom and space to expand.

Before settling in Lewes, Beak Brewery was a solo project by Daniel Tapper, who as a top food journalist, reported on what was behind store shelf favourites and travelled the world to meet engaged producers and innovative makers.

Inspired by travels through small American towns with hidden taproom treasures, Daniel picked up tips and tricks from other brewers, becoming a self-taught brewer and developing his own signature brewing style that soon gained an enthusiastic following. As a 'cuckoo brewer' (a brewer that uses other breweries' equipment), Daniel collaborated with the best craft breweries across the UK, including as [Beavertown](#) and [Northern Monk](#), and created bespoke beers for the likes of [Borough Market](#) and Tate Modern.



Relocated to Lewes in 2020  
Self taught brewer  
Inspired by travel through small  
American towns with hidden taprooms

# BREWING BROTHERS

**Location:** Hastings  
**Established:** 2015



Originally, Brewing Brothers was based on the American model of the brewhouse, where pub-goers could watch both the beers and the pizzas being made (by resident brewer Billy and Italian pizza master Dan), but when the company saw how much Hastings residents and people far and wide came to support the brewery, the thought of growing Brewing Brothers was never off the table. Formulating a strategy to open more taprooms and develop its wholesale market, the company's new ambitions could finally be realised.

With people requesting the Brothers' beer at outlets across the town, and to have a supply of beer to supply both competitors and future Brewing Brother locations, Brewing Brothers discovered the opportunity to set up a 2,800 litre brewery in Ivy House Lane. With honorary brother Billy Eriksson at the helm, Brewing Brothers have expanded the variety of beers produced, exploring different flavours.



Established in 2015  
Originally based on the American model  
of the brewhouse



# Wine

- Industry overview
- Centre for excellence
  - Support
  - Climate
  - Ridgeview
- Oastbrook Estate

# INDUSTRY OVERVIEW

Estimated at £19.4 billion in 2021, the total still, sparkling and fortified wine market in the UK grew 69% between 2019 to 2021.

Wine is popular in the UK being drunk by 71% of UK adults, 35% of whom consume it at least once a week. It is therefore not surprising that sales of still, sparkling and fortified wine are projected to increase by 4% by 2026.

With regard to purchase behaviour, white and red wine consumption remains highest among the over-55s, whilst rosé and sparkling wines are favoured by under-35s. There has been a particular rise in champagne and sparkling wine purchases by the under 35s, with the under-25s especially willing to pay more for award-winning sparkling wine and champagne.

Top five most planted varieties in the South East - East Sussex, Kent, London, Surrey, West Sussex

Chardonnay	789
Pinot Noir	715
Pinot Meunier	227
Bacchus	132
Solaris	43



- **SOURCE:** UK Still, Sparkling And Fortified Wine Market Report 2019
- **SOURCE:** [https://winegb.co.uk/wp-content/uploads/2022/09/WGB\\_Industry-Report\\_2021-2022FINAL.pdf](https://winegb.co.uk/wp-content/uploads/2022/09/WGB_Industry-Report_2021-2022FINAL.pdf)



# CENTRE FOR EXCELLENCE

Plumpton College in East Sussex is acknowledged around the world as a centre for excellence in wine, offering distinguished industry training for the cultivation of vines and production of wine. Plumpton boasts 10 hectares of vineyards producing in excess of 40,000 bottles of award-winning still and sparkling wines each year. When coupled with the purpose-built Wine Centre which includes a commercial winery, research winery, laboratories and a sensory evaluation room, it is no surprise that students travel internationally to study there.



Photo by Julian P Guffogg

- **SOURCE:** UK Still, Sparkling And Fortified Wine Market Report 201
- **SOURCE:** Independent – Why Britain could soon produce better wine than France

# SUPPORT

New entrants to the East Sussex wine market can find support from [Sussex Wineries](#) and Vineyards of the Sussex Weald. Sussex Wineries is a collaboration of inspiring wine estates responsible for producing some of the most innovative and diverse wine styles in the UK today. The [Vineyards of the Sussex Weald](#) are a cluster of passionate growers and winemakers who strive to deliver the true essence of this unique and beautiful landscape. Launch events and wine festivals are just some of the proactive measures employed to support new businesses.

[Sussex Modern](#) is the wine tourism development agency for Sussex. Founded in 2017, the independent business consortium is working to build a new narrative for Sussex, bringing in visitors and investment to the region by celebrating the county's unique contribution to modern culture and experiences. They act as a creative producer, placemaking agency, and tourism brand working with some of the UK's most vibrant organisations and vineyards. Bringing together unique experiences across Sussex with creativity that defines the county's modern, innovative and independent spirit, Sussex Modern works closely with the region's local authorities, tourism agencies and local economic partnerships. Last year alone, they led the delivery of over £1m of public investment to build a brand for the region's wine and cultural visitor economy, building an evident base for future investment.



# CLIMATE – SOIL/LAND

The South East of England has enviable conditions for sparkling wine: chalky soil, comparable to the Champagne region in northern France and a relatively cooler climate that help grapes reach high acidity. East Sussex vineyard Ridgeview notably won the World's Best Sparkling Wine award at the Decanter World Wine Awards in 2010 and in recent years two English wines – including a sparkling wine from Sussex – beat champagnes including Veuve Clicquot and Taittinger in a blind taste test for wines priced under £40 by Noble Rot magazine.





# RIDGEVIEW WINE ESTATE

**Location:** Ditchling, Lewes District  
**Established:** 1995



RIDGEVIEW

Based near Ditchling Common, East Sussex, Ridgeview Wine Estate is held in high regard by the wine world for its excellent quality and refined sensibility. A family owned and operated winery, Ridgeview does not shy away from its roots, as the journey that got them to not only be established producers of quality, sparkling wine, but influential players in this growing field.

Whilst the vineyards location in Ditchling has similar properties to the Champagne region in France, with mild, maritime climate and favourable calcareous soil conditions, Ridgeview's wine has retained a particular English taste.

Ridgeview Winery has had remarkable success, notably being served at the Queen's Diamond Jubilee celebrations, at state visits by foreign dignitaries, and have even been named the official sparkling wine of 10 Downing Street, paving the way for the English wine industry to be recognised on a global scale.



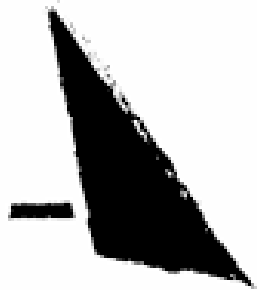
- Established in 1995
- Strong company ethos
- Built in sustainability

# OASTBROOK ESTATE

Nestled in the heart of the High Weald, Oastbrook Estate is a winery and entertainment hub founded by America and Nick Brewer, an entrepreneurial couple who have made it Oastbrook's mission to put their adopted East Sussex home and its businesses on the map.

**Location:** Bodium

**Established:** 2018



OASTBROOK

America, originally from Brazil, saw commonalities between growing up in South America, to raising a family in East Sussex. As the Sussex wine industry had started in earnest to grow and build an international reputation, America was reminded of her own childhood memories of a vine that wrapped itself around her balcony, where she would eat the grapes before any wine could be made.

As crowds flock to Cornwall and the West Country, Oastbrook aims to prove that the rich, cultural heritage of East Sussex is just as unique and special, but also offers new and exciting experiences compared to a seaside day trip.



- Established in 2018
- They were awarded the gold medal in 2020 and 2021 at the Independent English Wine Awards

# Cider

- Industry overview
- Innovation
- East Sussex



# INDUSTRY OVERVIEW

Over half of UK adults are cider drinkers, with more men than women opting for the drink. 2018 was a particularly strong year for the industry, the heatwave summer made for a bumper apple crop and this extended into bumper sales. The freeze on alcohol duties announced in the spring of 2019 has helped manufacturers to continue the positive journey from 2018.

Market staple Strongbow has grown its sales in the buoyant marketplace, launching numerous new products. Kopparberg and Rekorderlig continue their competitiveness, vying for similar areas of the market. Traditional favourite Thatchers have a lot to celebrate, the brand may have started over 100 years ago, but winning the World's Best Sparkling Cider in the World Cider Awards in 2017 is surely a highlight.

In a competitive market – one currently enjoying a resurgence – innovation and new product development have been key. Interesting flavour combinations enable brands to stand out in an increasingly crowded space.

Flavoured ciders – classified as those that have flavourings or fruit other than pear or apple – have been a real growth area in the last five years, with countless new brands entering the market.

Innovations such as rosé cider have blurred the boundaries between cider and wine. Rosé cider is inspired by the light and fruity elements of a rosé wine and made with red fleshed apples that give it a bright taste and colour. Brands including Angry Orchard, MillerCoors, Strongbow and Bold Rock are just a few of those seeking to capitalise on this trend.

# INNOVATION

# EAST SUSSEX

East Sussex has become one of the most popular places to set up a brewing business and is home to a hotbed of exciting, innovative breweries and cider producers – including Hunts, Ascension, Big Nose and Beardy.

Matt Billing, founder of Ascension Cider has always had a collaborative and environmental approach to business. Matt feels strongly about minimizing food-waste and supporting local growers and orchards, he therefore decided to use the apples that the supermarkets reject based on the fact they aren't 'pretty enough'.

This thinking has now seen Ascension Cider blend 15 unique ciders, using 27 apple varieties and deliver to 86 outlets.



The Cider market had a revenue of £1.62 billion British pounds in 2021

# Spirits

- Industry overview
- Why East Sussex
  - Innovation
  - Mayfield
- Generation Gin





# INDUSTRY OVERVIEW

In 2021 80 million bottles of gin were sold in the UK!



## WHITE SPIRITS AND PREMIXED READY TO DRINK OPTIONS (RTDS)

Worth £10 billion in 2022, the total UK white spirits and RTDs market is expected to grow by 14% between 2022-2025. This growth was attributed to inflation and the increasing popularity of more premium variations.

Gin is enjoying renaissance and complete brand revolution which has seen sales volumes rise by over half (56%) in the five years ending 2017, that includes an 18% rise in sales in 2017 alone. The gin market has seen an unprecedented influx of premium and craft producers all vying for brand position.

Gin is now a £2.1 billion industry in the UK. Production and export are also on the rise as domestic and overseas demand for British Gin has flourished in recent years. According to HMRC, British gin exports have risen by an unprecedented 32% since 2011.

The UK is also the world's largest exporter of gin – at the beginning of 2018, there were 315 distilleries in the UK, more than double the number operating five years previous. And there's more good news: total global gin consumption is expected to rise 4.4% during the period 2018-2023, according to the IWSR's forecasts.

- **SOURCE:** Ibis World: Spirit Production in the UK - March 2018
- **SOURCE:** Mintel: Dark Spirits and Liqueurs – UK – September 2017
- **SOURCE:** Mintel: White Spirits and RTDs – UK – December 2017
- **SOURCE:** <https://www.theiwsr.com/news-and-comment-provenance-and-profits-the-future-of-the-gin-industry/>

## **DARK SPIRITS AND LIQUEURS**

Market sales are estimated at £5.8 billion for 2017. The UK dark spirits and liqueurs market grew by 20.8% over 2012-17, driven by price inflation at the start of the period and volume sales growth, especially for dark rum and whisky over 2014-17.

## **IMPORTED WHISKEY**

Retail volume sales of imported whisky continued to grow strongly in the first half of 2017, driven mainly by American whiskeys such as Bourbon.

Nevertheless, unprecedented demand for gin and whiskey, has buoyed the UK industry growth.



# CRAFT MAKERS



## WHY EAST SUSSEX?

East Sussex has a plethora of award-winning pubs and restaurants, fantastic farm shops, markets, festivals and craft breweries, all of which are integral components of the East Sussex tourism industry that adds over £1.4m to the local economy.

The climate in East Sussex is perfect for farming offering an endless choice of fresh local ingredients - the hops used by Mayfield Distilling Company were actually discovered as a wild hop growing in local Sussex hedgerows – this diversity and choice is perfect for craft suppliers.

A number of East Sussex craft makers have invested in their own bore holes to ensure unfaltering access to fresh water, a good business decision when the water available in East Sussex water has been filtered through the deep chalk layers of the beautiful South Downs, giving it a pure and undeniable taste, and giving businesses a USP.

The location near two ports – Dover and Newhaven – within an hour of Gatwick International Airport and with good road links to the M25 provides superb access to supply chains.

- **SOURCE:** Ibis World: Spirit Production in the UK - March 2018
- **SOURCE:** Mintel: Dark Spirits and Liqueurs – UK – September 2017
- **SOURCE:** Mintel: White Spirits and RTDs – UK – December 2017



MAYFIELD has tapped into the rich Sussex folklore, bringing the tale of St Dunstan and the Devil to the fore, it also features the Sussex hop as its signature botanical. Multiple award-winner Foxhole gin is also from East Sussex, it is distilled with wine made from reclaimed English-grown grape skins.

HARLEY HOUSE is well known for its innovative, colour changing Sussex Blue Gin, which turns pink when mixed with tonic.

TOM CAT has innovated in a different way, its gin uses water from Pear Tree Well – the mineral water is sourced from a well 120ft deep which hasn't seen daylight for thousands of years.



## INNOVATION

In a competitive market, intriguing and interesting flavours and colours enable brands to differentiate their product offering. Flavour is the leading choice factor for drinks buyers and remains central for the brand proposition.

There may never have been a better time to enter the market as demand appears to know no bounds.

# MAYFIELD

**Location:** Mayfield, East Sussex

**Established:** 2017



The hops used by Mayfield Distilling Company were discovered as a wild hop growing in local Sussex hedgerows. Due to Mayfield's journey the Sussex Hop is now classified as an approved variety and is cultivated in just one acre of Mayfield's thirty acre hop farm in Salehurst.

Proud of their Sussex roots the brand's dramatic label depicts the story of Saint Dunstan and The Devil, an epic event which, history says happened in the 10th century in Mayfield Village of East Sussex.

The global market for gin and craft gin is thriving and Mayfield's gin can be enjoyed as far afield as South East Asia and the Pacific.

- Established in 2017
- Sussex Hop variety
- Enjoyed internationally



# GENERATION DISTILLERS

**Location:** Lewes, East Sussex

**Established:** 2020



GENERATION  
DISTILLERS

Husband and wife team Ed and Claire, originally from rural Sussex, share a passion for quality ingredients, flavour and locally sourced & produced goods.

Their aim is to bring a gin that is both enjoyable and accessible, sourcing as much as they possibly can locally by supporting other local businesses. There is a re-commissioned artisan well on site where they draw the water in small batches to use in every drop of handcrafted gin.

The small distillery they run is an old outbuilding on their property which allows them to balance a passion for gin with family life.

- Established in 2020
- They are making their own contribution to the gin story, celebrating the resurgence of gin and their heritage as Generation 11





# Soft drinks and mixers

- Industry overview
- Folkington
- Booyah Vitality

# INDUSTRY OVERVIEW

Soft drinks and mixer sales are forecast to increase by 13% to reach a value of £20.8 billion by 2023. However, the continued focus on health and wellbeing increases the scrutiny on dietary sugar. No added sugar has become a key selling point with Coca-Cola Zero Sugar seeing the strongest growth amongst leading brands and Pepsi Max continuing to outgrow other Pepsi variants.

Environmental factors also continue to shape the market. The current spotlight on single-use packaging has sparked consumer concern about recyclability, leading many brands to a return to glass bottles.

Opportunities are numerous for the sector. Mixer brands especially are enjoying a period of growth amid continued growth in spirits market. Schweppes and Fever-Tree are enjoying a boom period due to the growth in the gin market, Fever-Tree especially has carved a niche for sophistication and innovation.

Premium soft drink staples Appletiser and J20, buoyed by a summer heatwave, are enjoying a period of strong growth. Kombucha (a fermented tea that is naturally sweet and lightly carbonated with a slightly sour taste) is on the rise in East Sussex and is an industry that is set to grow 209% year on year according to The Grocer.



**SOURCE:** Mintel: Soft Drinks Review - UK - March 2019 and Carbonated Soft Drinks - UK - June 2019



# FOLKINGTON

Folkington's authentic juices and mixers – a Sussex success story – was founded in 2012. The company is based in the small rural village of Folkington, just outside of Eastbourne.

The brand's ambition was to replicate the authenticity and provenance needed to create a fine wine, and transfer those skills into the creation of a range of fruit juices and soft drinks.

Folkingtons' ensures its product is made from the same varieties of fruit sourced from the same farmers , or farming co-operatives, delivering not just consistent taste and quality but also helps providing farming community with a sustainable income.

The brand is dedicated to reducing its carbon footprint, as much fruit is sourced from British farms as possible, the company go so far as to source elderflowers from plants which grow wild across the English countryside.





# BOOYAH VITALITY

**Located:** Hastings, East Sussex

**Established:** 2020



Seeing an opportunity in a growing trend, Lisa Driver's passion for kombucha began with her attempts at keeping her and her family healthy. As a naturopathic nutritional therapist as well as a fitness instructor, Lisa understands the importance of healthy living and using food as medicine, looking into healthy drinks as an alternative to sugary fruit juices.

Based on the belief that health is not just about committing to fitness, but also about embracing healthy eating habits, Lisa started to sharing her research and recipes in her Pilates class so that her clients could create healthy drinks at home.

By bringing in her own, personal mixtures, for example, turmeric shots, Lisa found a growing demand from her clients who were even offering to pay her for it.



After originally launching in 2020, the pandemic set back in person purchases. But, as word of mouth spread during the first lockdown, they relaunched again in 2021

# Consumer attitude



# CONSUMER ATTITUDE

71% of drink buyers say they prefer quality over quantity when it comes to alcoholic drinks.

Many people are now mindful of the need to moderate their drinking and this has fostered a widespread quality over quantity mind-set. Consumers are becoming more adventurous in their choices when they decide to go out and this offers potential for premium drinks.

‘Premiumisation’ extends to the off-trade

The rate of sales growth in supermarkets can also be put down to this trend. Sales of wine, beers, spirits and premium soft drinks

continue to rise in supermarkets as retailers continue to build on ‘premiumisation’. While volume sales have increased, the rate of growth can be attributed to consumers choosing more expensive options than in previous years, particularly during the festive period.

The movement towards consumers choosing quality over quantity is reflected not just in gin and craft beer but other spirits too. People want flavour, provenance and something a bit different.

In 2017, sales of gin across all retailers rose by 26% compared with the same time in 2016.

Whiskey sales also spiked by 10%, while sparkling wine grew by 7%.

A number of dark spirits companies launched premium products in 2017, again part of a continuing trend. Premium versions offer another means to encourage trading up and they should also be well-placed to appeal to consumers.

The tale of quality over quantity is set to continue in future years. New narratives, such as those on terroir, sustainability and geographical distinctions, will be used to attract consumer interest.

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- **SOURCE:** Ibis World: Spirit Production in the UK - March 2018
  - **SOURCE:** Mintel: Dark Spirits and Liqueurs – UK – September 2017
  - **SOURCE:** Mintel: White Spirits and RTDs – UK – December 2017
  - **SOURCE:** Mintel: Alcoholic Drinks Review UK – February 2018
  - **SOURCE:** The Drinks Business: Alcohol sales rise by £172 million as ‘premiumisation’ grows in UK supermarkets, December 2017;



# Exporting and importing

- Exporting
- Importing alcohol

# EXPORTING

Since the referendum on EU Membership, UK distillers have benefited from the sharp depreciation of the pound. The value of spirit production industry exports is expected to rise as UK produced spirits have become more attractive in foreign markets.

In particular, Scotch whisky has seen an increase in demand. Scotch, which may only be produced in Scotland by law, has become increasingly attractive to foreign consumers, particularly those in the United States. According to the Scotch Whisky Association, the value of Scotch whisky exports over 2017 rose by 9%, the strongest growth in six years, meaning scotch whisky now accounts for over 20% of all UK food and drink exports.

Alongside the UK's well known and leading global spirits position, the UK is also a hub of the global wine industry. Much of the wine that is imported here is reshipped to the EU, as well as markets further afield, particularly to the Far East and countries like China, Singapore and Hong Kong.



- **SOURCE:** Ibis World: Spirits Production in the UK, March 2018
- **SOURCE:** The Drinks Business, March 2018



# ALCOHOL IMPORTING

Importing and exporting are often dependent on the goods in question.

Different goods have different customs duties and tariffs attached to them. Spirits are subject to a standard 20% rate of Value Added Tax (VAT). Spirits over 8% alcohol are also subject to an excise duty of £28.74 per litre of 100% alcohol. To commercially import into the UK, the receiver needs to hold an Economic Operator Registration Identification (EORI) number. This is issued by UK Customs, the HMRC.

There are a number of ways to import alcohol or alcoholic drinks into the UK. The right method for you will depend on:

- how frequently you will be importing
- whether you are importing from inside or outside the EU
- whether excise duty has already been paid on the goods in another EU country

The method you choose will impact how you account for and pay UK excise duty. General guidance for importing into the UK, including





# Labelling

# LABELLING

The UK still adheres to EU regulation on the labelling of alcohol, details of which can be found [here](#).

The alcohol strength by volume of the drink must be indicated by a figure to no more than one decimal place followed by ‘% vol.’ and preceded by the word alcohol or ‘alc.’. For example, alcohol 5.4% vol.

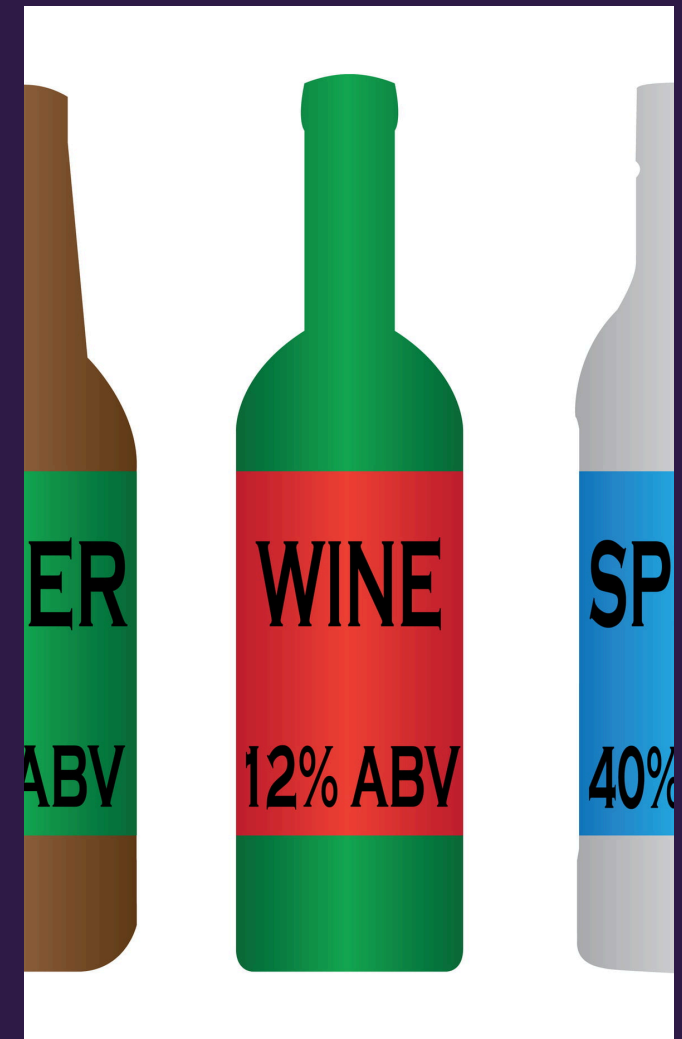
Potential allergens contained in the drink must be clearly displayed.

The labelling must be in English if being sold in the UK.

When importing drinks, where the strength exceeds 30.0%ABV in bottle sizes exceeding 0.35Lit it is required that excise duty-paid stamps are applied to each bottle.

The label must also show:

- Name or business name and address of the food business operator
- Country of origin or place of provenance
- Instructions for use where necessary
- Date of minimum durability or the ‘use by’ date; beverages of 10% ABV or higher are exempt.



# Locate East Sussex Support

- Next steps
- Support
- Why Locate East Sussex



# NEXT STEPS

The Locate free business support programme is designed so that the guidance, skills development

*Locate can support you in the following ways:*

**SETTING UP IN THE UK** - Whatever business you're in, our team will support you to get your new venture off the ground.

**ENTREPRENEURIAL SUPPORT** - We can help companies to enhance their existing offer or to develop new products and services by accessing funding to bring ideas to market.

**EXPORTING** - We support companies that want to start exporting to break into new markets. We can advise and help you to access funding and links to experienced partners.

**SOFT LANDING PACKAGE** - Offering financial support through grants, loans and introductions to key and relevant suppliers and mentors.

**INTRODUCTIONS TO NETWORKS** - We can support and facilitate access to a vast array of experts.



# WHY LOCATE EAST SUSSEX?

## 1) **Exciting space to grow**

Not only physical space for growth but room for new ideas.

## 2) **Unbeatable work-life balance**

There is a breath of fresh air for businesses in East Sussex.

## 3) **On your doorstep**

Close enough to enjoy the benefits but far enough away to escape the city.

## 4) **England's Creative Coast**

East Sussex is part of England's Creative Coast.

## 5) **Talent and academic links**

A rich supply and diversity of apprentices and graduates.

## 6) **Innovation destination**

Join the visionary and innovative, the daring and original.

## 7) **Harness the power of our networks**

Entrepreneurs and professional networking opportunities.

## 8) **Digitally connected**

Technology is transforming and enabling our life choices.

## 9) **Affordable living and low operating costs**

Space for breathing literally and metaphorically.

## 10) **Our dedicated team is ready to support your move**

Our services are completely free of charge and we have access to economic development funds to help accelerate growth.

Thank you for reading  
**Drinks Sector  
Proposition**