

Hammer blow for pubs who will be unable to trade for 40% of year Compensation and support essential for survival of pub sector, in light of threat of future waves

LVA seeks immediate discussions with Government on future of pub sector

The Licensed Vintners Association (LVA) has described the Government's decision to postpone the reopening of pubs as a "hammer blow" for these businesses who will now go 40% of the year without trading. They have said that compensation and support is now essential if the Government wants the sector to survive. As pubs are being treated differently from other sectors, the LVA believes specific financial supports for the sector are now required and has called for immediate discussions with the Government on how they plan to protect the future of the industry.

Pubs were the first sector to close at the beginning of the Covid-19 crisis, with the LVA and its members supporting the Government's request to close their doors on 15th March. Despite that early commitment to protecting the public health, the pub sector has been in the final phase of the Reopening Roadmap throughout this crisis, repeatedly separated from other aspects of Irish hospitality and tourism.

There is deep concern in the industry that should there be a second wave or further spikes in the infection rate then pubs will be asked to close again or the reopening will be further delayed.

Some pubs who serve food reopened during Phase 3 on the 29th June, but the majority of pubs across the country remained closed in expectation they would be allowed to open their doors and trade from 20th July.

By 10th August, most pubs who are yet to reopen will have had zero revenue and no income for 147 days. That equates to 40% of a year.

The LVA also criticised the delay in making this decision, highlighting the difficult position it had put pubs and staff who had been expecting to open next Monday. They called for the guidelines to immediately be published which will allow the pubs time to adequately prepare for 10th August.

"From the outset of this crisis, pubs have put public health considerations first," said Donall O'Keeffe, Chief Executive of the LVA. "We have repeatedly acknowledged the gravity of the Covid-19 crisis and as an industry we have respected the need to act for the wider good of Irish society during this pandemic. This is a crushing blow for the sector, but we will continue to respect the public health advice.

"This is a hammer blow for our industry. It does appear that pubs are being singled out. Pubs were first closed and last to reopen. No other part of the domestic economy is still shut. We have continually been placed in the last phase of the reopening roadmap. It has to be acknowledged that the pubs who are closed were not responsible for the growing levels of infection reported by NPHET over the last week. Yet it is those same pubs who are being asked to take a further financial hit.

These pubs, who have done nothing wrong, who have acted responsibly and who have obediently followed the guidelines are now being asked to do more. They are being told to delay reopening because of a spike that happened while they were still closed.

"A mature, detailed conversation is now needed about the State's plans for the pub sector. All we want is an opportunity to trade, but we can't continue with this uncertainty. What happens if there are further spikes in the level of infection or even a second wave? We did not create this crisis, but as an industry we are taking a disproportionate level of economic responsibility for how it is being addressed.

"If the public health requirements involve the Government treating pubs as a special case, then we're also going to need special treatment. Our doors are closed by Government mandate. They are restricting us

from earning a living. If that is what is required then the Government should pay compensation to pubs who must stay closed. The Government made this decision, so the onus is on them to help – if they want an industry which includes 7,000 businesses and employs 50,000 people to survive.

"Specifically, there must be immediate additional grant aid for pubs, based on their licence band. When these pubs re-open, the Wage Subsidy Scheme must remain in place for as long as social restrictions apply. There must be a cut on the VAT rate on on-trade alcohol until year-end to allow the businesses boost their margins and have some chance of viability. Commercial rates must be abolished for 2020 in light of this extended closure.

"From an economic perspective, a massive burden is being placed on our sector. It's incredibly hard on publicans, their families and staff. Most of these pubs are small businesses. They were gearing up to reopen next week, and now, with just minimal notice, their doors will now have to remain shut. By 10th August they'll have gone without income for almost five months.

"This is extremely disappointing for the pubs who were getting ready to open next week. The rug has been pulled out from under them with only a few days notice. Surely this is not the way any sector of an economy should be treated, even during a crisis. To avoid any similar problems the guidelines must now be urgently published to allow pubs and staff to make the necessary public safety adjustments in sufficient time.

"The very future of the pub trade in this country is now at stake. Pubs have and will continue to play their part in protecting public health, but Government must now play its part too. They must take immediate action to ensure the survival of the trade, which is so integral to the recovery of the social and business life of villages, towns and cities right across the country. Some 7,000 pubs and 50,000 jobs are now dependent of a meaningful and urgent response from the new Government," **Mr. O'Keeffe concluded.**