Bar owners say alcohol sales plunge 50% after tax hike

Amir Mohammed, owner of Club 2011, chills drinks at the bar yesterday. PHOTO BY RISHI RAGOONATH

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Bar and restaurant owners say sales have plummeted, with customers cutting back, as the 100 per cent increase in excise duty took effect after being announced in the 2026 Budget, which led to a rise in the cost of beer and alcoholic beverages.

Owners say they are already struggling to cover operational costs and maintain profit.

At Club 2011 in Debe, owner Ashmir Mohammed said sales have dropped 40 to 50 per cent over the past two weeks, particularly for popular rums such as White Oak and Puncheon. “I will say it very, very bluntly—they (customers) saying they will go back to looking for cheap rum and bush rum,” Mohammed said.

He added that patrons, who once bought full nips, are now taking only a small shot with a beer before leaving.

“We used to sell a beer here for $10, now we are selling at $13,” lamented Mohammed, who added, “A puncheon shot was $18, now we’re selling that for $28.”

Mohammed said the sudden price hike is putting immense pressure on bar owners. “It is very hard for us now because we have electricity to pay, workers to pay, the general infrastructure, licence to pay.

So I don’t know how we will make out, and I am sure a lot of the smaller bars, the impact they have on them, they will have no choice but to close, especially if you have workers to pay and rent to pay,” he added. Mohammed is reviewing whether the business can remain profitable. “Right now, it is like we doing a feasibility study on how to operate the business to make a profit or if to diversify to something else,” Mohammed said.

At Atherly’s Restaurant and Bar in San Fernando, owner Paula Atherly shared similar concerns. “It’s disastrous. You can see if you look around the restaurant, there is nobody here,” she lamented.

“If I was selling a Carib for $15, I now have to sell it for $18.

A Heineken for $20 has gone to $25, for me to maintain all of my overhead costs.”

Customers, Atherly said, are struggling to cope with rising costs.

With landlords now paying higher taxes on rental income from commercial properties, she said, business owners who rent may face increased costs.

She said the situation is frightening. “You have electricity for commercial building going to go up ... salaries (to pay). Where is it coming from? How are small businesses going to stay afloat? They can’t. I don’t know how they expect people to live?”

Customer Romario Garcia admitted patrons are also feeling the pinch.

“For me, you see, I am drinking by myself—that is really the real way to do it nowadays.”

Meanwhile, Bar Keepers and Owners Association president Satesh Moonasar said the impact differs by location.

“More village bars, like in the rural areas, it would have a greater effect on them as the spending power of the consumers would be a lot less. It all depends on the location of your bar,” he said. Moonasar said while some customers are switching to cheaper brands, those who can afford it will continue to buy their preferred drinks.