# UK craft beer industry faces crisis as over 100 breweries close in two years



The craft beer industry in the UK is currently grappling with a pronounced wave of insolvencies, reflecting a significant downturn in the sector that has seen over 100 breweries close their doors within just two years. According to data from UHY Hacker Young, a UK accountancy group, 43 breweries succumbed to insolvency in the year leading up to 28 February 2025. While this marks a decrease of approximately 29.5% from the previous year’s figures, where 61 breweries went under, it is noteworthy that this rate of closure is higher than any year since 2021.

Among the names affected are notable breweries like Fourpure, Magic Rock, Hackney Brewery, By The Horns, and Wild Weather Ales. Such closures are indicative of a broader trend impacting independent craft beer producers across the UK, many of whom are besieged by escalating production costs and tightening margins. Brian Johnson, a partner at UHY Hacker Young, commented on the situation, suggesting that the vibrant craft beer boom of recent years may have attracted numerous entrepreneurs who ultimately struggled to achieve profitability. “Recent closures suggest the UK’s craft beer market cannot continue to support all the independent producers that have sprung up in the last 15 years,” he cautioned.

The economic landscape has shifted dramatically, particularly in the wake of surging inflation which has constrained consumer spending power. Many small brewers find themselves in a “perfect storm” where production costs are soaring due to heightened ingredient prices, energy bills, and increased minimum wage requirements. This financial strain is intensified by the competitive nature of the market, where only larger craft breweries manage to secure shelf space in supermarkets or partnerships with national pub chains, consequently achieving the economies of scale necessary for survival.

The shift in consumer preferences is also influencing market dynamics. In a separate report, there was a significant rise in brewery closures attributed to a growing inclination among consumers for cheaper, mass-market beer options during the ongoing cost-of-living crisis. The preference for economical alternatives has particularly impacted smaller craft breweries, which typically offer premium products. Luke Wilson, an insolvency practitioner involved with the pre-pack sales of several breweries, noted that the appetite for acquiring brewing businesses has diminished. He explained that many breweries pose a "pretty big risk profile," discouraging potential buyers amid a backdrop of challenging market conditions.

This crisis has not only affected the number of operational breweries but has also led to an alarming 82% increase in insolvencies over the past year, marking a sharp rise from just 38 in 2022 to 69 in 2023. Analysts indicate that the oversaturation of the craft beer market, alongside rising inflation and fluctuating interest rates, has created a precarious environment for many businesses. This perfect storm, compounded by the dichotomy between rising costs and falling consumer willingness to pay for premium products, suggests that the UK craft beer sector is at a critical juncture.

As these challenges unfold, it remains to be seen how many breweries can navigate the tightening landscape and whether the traditional craft beer model needs fundamental re-evaluation to adapt to these shifting market dynamics. The impending adaptations of these breweries will be crucial to their survival in a landscape fraught with competition and economic pressure.

## Reference Map:

* Paragraph 1 – [[1]](https://www.thegrocer.co.uk/news/brewery-insolvencies-hit-triple-figures-in-just-two-years/704846.article), [[2]](https://www.theguardian.com/business/2023/jun/05/rise-in-uk-breweries-going-bust-amid-thirst-for-cheaper-craft-beers)
* Paragraph 2 – [[1]](https://www.thegrocer.co.uk/news/brewery-insolvencies-hit-triple-figures-in-just-two-years/704846.article), [[3]](https://www.consultancy.uk/news/34675/uk-craft-brewery-bubble-bursts-in-oversaturated-market), [[4]](https://www.beerguild.co.uk/news/insolvencies-of-breweries-jump-82-in-the-last-year-69-brewers-go-under/)
* Paragraph 3 – [[5]](https://www.thedrinksbusiness.com/2023/08/is-the-craft-beer-tide-turning/), [[6]](https://www.business-sale.com/news/business-news/craft-brewery-insolvencies-triple-amid-rising-costs-and-cheap-competition-224475), [[7]](https://craftbeertimes.com/news/uk-brewery-insolvencies-surge-amidst-market-pressures/)

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## Bibliography

1. <https://www.thegrocer.co.uk/news/brewery-insolvencies-hit-triple-figures-in-just-two-years/704846.article> - Please view link - unable to able to access data
2. <https://www.theguardian.com/business/2023/jun/05/rise-in-uk-breweries-going-bust-amid-thirst-for-cheaper-craft-beers> - This article reports a significant increase in UK brewery insolvencies, with 45 breweries entering insolvency in the 12 months ending 31 March 2023, up from 15 the previous year. The surge is attributed to an oversaturated market and rising consumer preference for cheaper options during the cost of living crisis. Smaller craft breweries, offering premium beers, are particularly affected as consumers opt for more affordable mass-market brands. The article highlights the challenges faced by these breweries in a competitive and financially strained environment.
3. <https://www.consultancy.uk/news/34675/uk-craft-brewery-bubble-bursts-in-oversaturated-market> - This piece discusses the downturn in the UK's craft beer industry, noting that 45 craft breweries went insolvent in the 12 months leading to the end of March 2023, compared to just 15 in the previous year. The article attributes this decline to market saturation and surging inflation, which have left consumers with less disposable income for non-essential goods like alcohol. It also mentions that the craft beer market has become heavily overpopulated over the last decade, leading to financial challenges for many brewers.
4. <https://www.beerguild.co.uk/news/insolvencies-of-breweries-jump-82-in-the-last-year-69-brewers-go-under/> - This report highlights a significant rise in UK brewery insolvencies, with numbers increasing by 82% from 38 in 2022 to 69 in 2023. The article attributes this surge to factors such as an oversaturated market, high interest rates, and soaring inflation. Smaller craft breweries are particularly affected, facing challenges like increased production costs and a decline in consumer spending on premium beers. The piece underscores the financial pressures and market dynamics impacting the brewing industry.
5. <https://www.thedrinksbusiness.com/2023/08/is-the-craft-beer-tide-turning/> - This article examines the challenges facing the UK's craft beer industry, noting that 45 craft breweries went insolvent in the 12 months leading to the end of March 2023, compared to just 15 in the previous year. The piece attributes this downturn to an oversaturated market and record rates of inflation, which have left consumers with less disposable income for non-essential goods like alcohol. It also discusses how the craft beer market has become heavily overpopulated over the last decade, leading to financial challenges for many brewers.
6. <https://www.business-sale.com/news/business-news/craft-brewery-insolvencies-triple-amid-rising-costs-and-cheap-competition-224475> - This article reports a tripling of craft brewery insolvencies over the past year, with 45 breweries entering insolvency in the year to March 31, 2023, up from 15 in the previous year. The surge is attributed to rising costs and an oversaturated market, with smaller craft breweries particularly affected. The piece highlights the challenges these breweries face in a competitive market, including increased production costs and competition from cheaper mass-market options.
7. <https://craftbeertimes.com/news/uk-brewery-insolvencies-surge-amidst-market-pressures/> - This article discusses the significant increase in UK brewery insolvencies, with a staggering 82% surge in 2023 compared to the previous year. The piece attributes this rise to factors such as an oversaturated market, rising costs, and the fragility of the local market. It highlights the challenges faced by smaller craft breweries, including increased production costs and competition from mass-produced offerings, and discusses the impact of the cost-of-living crisis on consumer spending habits.