

# Paying £14 for fish and chips may be the only way to save our favourite takeaway

War, heatwaves and the energy crisis are killing chip shops

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BY

**Ryan O'Neill** Senior reporter

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Chip shop owners like Alan Edwards, who runs Vacara's in Newport, are worried about rising costs (Image: Richard Swingler)

It's one of the UK's most cherished and long-standing institutions, the place none of us can resist for a grease and vinegar-drenched-feast after a booze-filled night out or a cheeky night off from cooking.

But the UK's fish and chip industry is facing arguably its biggest challenge in its 160-year history. The chippie faces a crisis like never before against a backdrop of one of the UK's driest summers on record, the war in Ukraine which has seen unprecedented price increases and the cost of living crisis leaving traders forced to increase prices at the expense of struggling customers or take a serious financial hit.

It has led chip shops in Wales, so beloved by their communities, facing a bleak future in which survival is far from certain. While many of the issues are similar to those facing the wider hospitality industry, others uniquely threaten the future of chippies up and down the country.

**[Read more: 'We might not be here next year': The mounting challenges facing Wales' hospitality industry](#)**

Alan Edwards runs Vacara's chip shop, which has been based on Llanarth Street in [Newport](#) since around 1900, though the brand dates back to 1888. He said trade has never recovered to pre-pandemic levels and admitted he was struggling to make any money. "As we came out of lockdown [in] June 2020, packaging started to increase on weekly basis and has continued to increase 100% of pre Covid levels," he said.

"Oil did jump dramatically - 300% - but has dropped back and settled [at] around 100% of pre Covid levels. Fish is seasonal and dependent on catch sizes. I am paying more but that is for quality - 50% on two years ago. Potatoes are, again, harvest-related. The dry weather will cause higher than normal prices. At present the price is normal."

In a rapidly changing environment, the prospect of rising potato prices and energy bills at a time when the oil market is stabilising is a huge worry. With no price cap for businesses, prime minister Liz Truss' announcement on Thursday that average domestic energy bills will be capped at £2,500 for two years included a scheme for businesses, schools, hospitals, other public organisations and charities that will "offer equivalent support". But there was little detail, and businesses are understandably fearing for the future. You can read the full details of what was announced by Ms Truss [here](#).

"I have fixed contracts on electric until November 2025 and gas until mid-2024," Alan said. "Those businesses that have not secured long term contracts will be in trouble."



**Vacara's has been a mainstay in Newport for many years** (Image: Richard Swingler)

In the past year traders have also been faced with rising VAT, as well as the end of Covid-related support payments from the government which had helped them through multiple lockdowns. "All support ended in January," Alan said. "Job retention ended in October 2021 when VAT went from 5% to 12.5%. From April it went to 20%. That is the killer. I do think it is going to be the straw that breaks the back. Businesses will struggle and be forced to close by Revenue as they will hound them for the tax."

Like many chippies, Alan said he'd been forced to increase prices this year to keep up with VAT and rising costs.

"I raised prices by 20% on average to try to cover VAT. I had kept the small chips at £2 for six years but increased to £2.50. Medium went from £3 to £4 and large from £3.50 to £5. Fish went from £4/5/6 for small, medium, large to £5, £6 and £8." Alan added that those prices were for takeaway and that an average wage increase of around 30% had meant prices for sit-in diners had soared even higher.

While some hospitality traders told WalesOnline earlier this summer that footfall had improved over the past few months compared to the pandemic, Alan said he had not experienced this. "Footfall has not returned to pre-Covid levels. I am trading fewer hours as people seem to leave the city centre earlier. Most of the retail in my street are closed by 4.30pm each day. I struggle to trade after 5pm - it used to be 7pm. I would need to increase prices if raw materials keep increasing. However, it is a tightrope as customers are price sensitive. I am paying bills but not making money.

"If footfall picks up it will help. A recession with low footfall and uncertainty for people could end a lot of small businesses. I will try and keep going and get through our traditionally busy period until the end of the year and assess the situation."

Speaking to other chip shops in Wales, the outlook is similarly grim. In August, Fran Jones and Jo Clements, 52, of 'The Bay Chippy' in Swansea, **told WalesOnline they had been forced to raise their prices over the past few months** with a large cod and chips now costing £7.80 in the chippy or £11 on UberEats. They said at the time that a case of cod had doubled from £125 to £250, a portion of chicken that previously cost £32 now cost £62, as well as other increases.

Jo said at the time: "It's horrendous. No normal person understands what it's like being in this trade anymore. I've been in this trade for thirty-five years and I've never seen such increases, these prices are soaring."



**Fran Jones and Jo Clements from 'The Bay Chippy'** (Image: John Myers)

Joe Watkins, 29, runs Watkins' Fish and Chips on Bassaleg Road in Newport. His mother and father have a long-running potato supplying business while the shop, mainly run by Joe and his brother, opened back in May. "We've picked arguably one of the worst times you could in terms of costs," he laughed as he took a break from his shift to chat.

Joe said prices of oil and fish had remained steady more recently but that he had already seen increases since opening the shop a few months ago. "When we first got a quote for fish in January, it has gone up by over £100 a box since and that seems likely to continue. I have read that fertilizer costs for potatoes are now exceeding £1,000 a tonne whereas it was £250 a tonne before. Then you've got diesel, fuel, the cost and availability of machinery which will impact the cost of potatoes.

"We're quite lucky in that we signed a three year fixed contract for energy, so it's not a major concern for us. But obviously we're very uncertain about what it will be when we renew in a few years."

Joe said he hadn't had to increase his prices since opening but admitted that he may have to consider it if the price of fish continues to go up. He said the government was at a "crucial point" in its policymaking for farmers and that this would have a strong bearing on how fish and chip shops survive in the coming years.



"They need to be looking at whether they're encouraging farmers to produce. If we rely on food from other countries, what is the impact on our food security? At the end of the day, everyone wakes up in the morning and needs to eat. If we don't make it easier for farmers to produce, we are setting ourselves up for a tough time. There's going to come a point where farmers can't produce and I think it's going to come sooner rather than later."



**Watkins Fish and Chips only opened in May and is already grappling with rising costs** (Image: Joe Watkins)

Joe said the business had found some ways to cut costs including reducing hours and cutting down on food waste. "We make home-made fish cakes so there's less food waste," he said. "We've adjusted our opening hours slightly, when we know we are busier. There's no point in opening when you've got £20 worth of energy and £30 worth of staff costs but are only selling a few quid's worth of chips.

"We're quite new and we don't know what it was like before. We're just trying to grow our business and cover our costs. We're trying to give people a good quality meal that's affordable. These are hard times for every business and some will survive, and others won't. I don't think it's going to get easier any time soon. But we just have to get on with it.

"I think fish and chips is going to go up in price but I don't think it will become an expensive meal. You still get a lot of food even if you're paying £10 for it or whatever it might be."

Andrew Crook, president of the National Federation of Fish Friers, said the war in Ukraine had hugely impacted prices and was an ongoing concern, as the UK relies heavily on Russia for its stock of white fish.

"In April we reverted to 20% VAT which we said would destroy us because we were working with such tight margins before as it was," he said. "About 50% of white fish comes from Russia. One person has about 40% of the white fish sea water. A lot of cooking oil comes from Ukraine, and countries like Indonesia stopped palm oil exports because of the issues getting sunflower oil. The oil market has somewhat stabilised now as a lot of people have stocked up. Certainly prices on the commodity market are dropping, we are still waiting for that to filter through but it should start to."

But Andrew, who owns a chip shop in Lancashire, said the industry faced other supply issues which were forcing chippies to drive up prices. "This year because of the hot weather the potatoes are going to be down, the yield will be down. The yield is down in Europe as well because of the weather those countries have been having. So that will put the price of potatoes up."

He said chip shops were uniquely affected by the UK government's decision to apply a 35% tariff on Russian-imported whitefish. The sanction resulted from Russia's invasion of Ukraine and was first announced in March but suspended in April so officials could analyse the potential effect of the new tariffs on the UK seafood firms. But the new tariff took effect from July 20 and applies to any direct imports of Russian seafood.

"Around 70,000 tonnes goes to China and escapes the tariff. That mostly goes to retail and big companies like Young's Seafood and Birds Eye," Andrew explained. "But for fish and chip shops who mostly import directly, we've been uniquely affected by this. We are now starting to see the effects of it."



**The price of your fish and chips could be going up even more** (Image: Surrey Advertiser)  
Andrew said he felt the industry had been "thrown under a bus" and was being unfairly impacted by what was going on. "We will support any measure to bring this conflict to a conclusion, but it will affect the industry. I've met with ministers over this." He added that he was "very disappointed" at the lack of business support in Ms Truss' announcement on Thursday.

"Obviously giving people money is a good thing, because we need customers with money in their pocket. My business is losing money because of the costs, not energy bills. There was no commitment to any help [for businesses] beyond the six months, and there was very little detail.

"We expected there would be a temporary reduction in VAT but there was nothing. VAT doesn't work as it is and we want it changed. Not because we want more money but because we want a better industry.

"Shop owners will start committing fraud to survive. You're going to start seeing businesses cheating to survive, because they see others doing it and can't see any other way. I've got daily phone calls from businesses going out of business. It will cost lives because there are a lot who will not be able to cope with losing their business. People are worried about their staff's jobs too, not just their business."

Andrew said he'd raised his fish by £1.50 even though the price of fish had doubled for him. "I'm selling fish for the same price as other places are selling fish and chips. We would be selling it for £13 or £14 if we were protecting ourselves.

"I'm running out of money. I've got some money this month but I don't know how I will pay in the coming months. They [the government] had a chance to do something about it but they've done nothing. They've totally missed the mark with it."

