

Starbucks ducks the question on its tax affairs

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It's considered right and proper to give the other sides' view in any debate, and I've spent the last couple of days discussing Starbucks' tax. In that case it's only fair that I [reproduce their statement on their tax affairs](#), in full:

16 October 2012

Posted by Starbucks

I'm writing today to address recent media coverage regarding how we at Starbucks pay our taxes.

I want to personally assure you that Starbucks pays and will continue to pay our share of taxes in the UK to the letter of the law. We always have and always will.

The UK is an important market for Starbucks, and we place a great deal of value in our relationship with the many customers who have come to our stores over the past 14 years we've done business here.

We pride ourselves on doing business to the highest ethical standards, from the way we source our coffee to the way we pay our taxes.

We are here for the long-term. And, are rising to the challenge of creating jobs and investing significantly in our business and in the UK economy, demonstrating our commitment to all the communities where our partners (employees) and customers live, and where we do business every day.

In the UK,

** Starbucks employs more than 8,500 people across the country — and many, many more through our licensee partners*

** Over the next five years, we are committed to creating an additional 5,000 new jobs in the UK by opening 300 new stores and growing our business*

** We recently increased our commitment to our apprenticeships scheme, offering new places to 1000 young people over the next 2 years*

** We proudly spend hundreds of millions of pounds every year with a number of local businesses — from farmers to sandwich and cake makers to shop fitters, and countless others in between.*

The UK is one of the most competitive and dynamic espresso markets in the world, and we're proud to do business here. As we continue to grow, we will employ more and more partners and contribute to the communities where we do business in new and meaningful ways.

Thank you for listening and I look forward to reading your comments and suggestions.

Kris Engskov

Managing director

Starbucks Coffee UK

Now here's the question for those still paying attention: can anyone spot the explanation for the fact that Starbucks reports it's a loss making company in its UK accounts and yet does all this?

No, nor can I.

So could it just be, as the Reuters investigation suggested, that it's really a profit making company that manages to report a loss for tax purposes?

Maybe Mr Engskov would like to come back on that one.