
For Immediate Release

PRESS RELEASE

Brewers Object to Raising Taxes on Beer Drinkers

OTTAWA, ONTARIO – October 11, 2018 – Beer Canada opposes any beer tax increase in New Brunswick. None of the political parties mentioned raising beer taxes during the recent election campaign.

The ANBL, New Brunswick's liquor monopoly, has quietly told brewers it will raise beer taxes on October 15. With the political uncertainty in the province, the timing is inappropriate.

Beer taxes in New Brunswick are already very high and make up a large part of what customers pay at the cash register. At \$35.99 for a case of 24 cans, the current price of beer is 62% tax. And the ANBL wants to take the tax on beer even higher and make customers pay more.

The price of beer in New Brunswick has been a major point of discussion in recent years. Last spring, the Supreme Court ruled against New Brunswick resident Gerard Comeau. His offence: purchasing his beer in Québec where the average middle class beer drinker can still afford a beer.

"Canadians will buy beer at their local liquor store as long as the price is fair," said Beer Canada President Luke Harford. "Tax is a big obstacle to fair beer prices in New Brunswick".

Two summers ago, the ANBL had to cut beer taxes to keep prices competitive with neighbouring Québec. The Supreme Court ruling doesn't change this dynamic. The amount of tax and the number of jobs generated in New Brunswick from a case of beer sold in Québec is zero on both counts.

The ANBL is no doubt looking at the cost side of distributing and retailing cannabis, which becomes legal next week. With plans to keep taxes low on cannabis, the revenue side is no doubt a concern. Brewers are prepared to compete with cannabis but object to tax hikes on beer while cannabis gets a free ride.

The federal government's hidden beer tax escalator, introduced in 2017, will automatically increase the price of beer every April 1. This hidden tax hike has upset beer drinkers and spooked Canadian brewers. We launched the Axe the Beer Tax campaign in January so all Canadians could push back.

Raising beer taxes in New Brunswick now will have the same effect as the federal tax escalator while also driving residents to shop in Québec and brewers to rethink their investment plans in the province of New Brunswick.

There was no mention of higher beer taxes during the election campaign. It was not part of any parties' platform. And probably for a good reason: New Brunswick beer drinkers already pay too much beer tax.

ABOUT BEER CANADA

Beer Canada is the national trade association that advocates to ensure Canadian brewers are able to operate in a healthy regulatory environment and that beer remains a celebrated part of Canada's culture. As the national voice of beer, Beer Canada represents over 50 Canadian brewing companies that account for 90% of beer made in Canada and a category that supports 149,000 Canadian jobs, \$13.6 billion in real gross domestic product and \$5.7 billion in tax revenues for federal, provincial and municipal levels of government.

FOR MORE INFORMATION

Brittany Burden
Manager, Member Services & Communications
Beer Canada
613-232-9601 x225
bburden@beercanada.com