

PRESS RELEASE

Beer Canada Calls for Targeted Federal Beer Tax Relief Measures in Budget 2022

TORONTO, ONTARIO – February 24, 2022 – Today, Beer Canada shared its priority recommendations to the Deputy Prime Minister and Minister of Finance, Chrystia Freeland, as part of public consultations ahead of Budget 2022.

In its brief, Beer Canada highlights the vital role and impact Canadian brewers of all sizes have on the economy and communities across the country. 85% of beer sold in Canada is produced domestically from barley and other grains grown here, by highly skilled and, often, unionized workers.

Beer Canada’s recommendations in support of the government’s stated focus on jobs, growth and making life more affordable are:

- That the Government **defer the April 1st, 2022 and 2023 federal beer excise duty increases** to respond to dramatic increase in global inflation and the unique economic challenges facing brewers, the broader hospitality sector and consumers.
- That the Government **eliminate alcohol excise duties on non-alcoholic beer**, to support healthy lifestyle choices, promote socially responsible health policy, encourage investment, improve product selection and provide non-alcoholic beer with the same excise exemption already afforded non-alcoholic wine and spirits and by Canada’s major trading partners including all other G7 countries.
- That the Government **reduce by 50% the excise duty rates applicable to draught beer** primarily sold in restaurants, bars and taprooms across Canada to help mitigate the rising food and beverage costs across the hospitality sector and help these businesses successfully recover from the pandemic.

Beer helps brings adults together and the limitations placed on gatherings over the last two years have had a devastating impact on the brewing and hospitality industry. Due in large part to the intermittent closure of restaurants, Beer Canada estimates an overall beer sales volumes decline of 3.2% in 2021 versus 2019. Draught beer sales declined by 55% alone in 2020 and remain well below pre-pandemic levels.

Now, as businesses begin to safely emerge and recover from the pandemic, the industry faces unprecedented rising input costs and supply-chain disruptions that are creating additional challenges at the worst possible time and threaten to further increase beer prices.

“Now is the time for targeted beer and hospitality tax relief, not to make things worse by increasing federal excise duties on beer,” said CJ Hélie, President. “Adding to inflationary pressures by imposing new taxes on

consumers, brewers and the hospitality sector at this time would work against the government's objective of doing its part to make life more affordable for Canadians".

Before the pandemic, there were over 1200 brewing facilities and brewers directly supported 19,000 jobs in Canada. The sale of beer accounted for 149,000 jobs across the industry's value chain, contributing \$13.6 billion to gross domestic product. The domestic beer industry has 3x the economic impact of wine and spirits combined.

A copy of the formal submission can be viewed here: <https://industry.beercanada.com/presentations-filings>

ABOUT BEER CANADA

Beer Canada is the sole national inclusive voice and advocate for the people who make and enjoy our nation's beers. Our members account for 90% of the beer produced in Canada.

The domestic production and sale of beer supports 149,000 Canadian jobs, generates \$14 billion in Gross Domestic Product and \$5.7 billion in government tax revenues.

Beer Canada encourages the adoption of fair and responsible legislation, regulation, and alcohol policy at the municipal, provincial/territorial, federal and international levels. Members have a long and proud tradition in the promotion of responsible alcohol production, distribution, sale, and consumption.

FOR MORE INFORMATION

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