
For Immediate Release

PRESS RELEASE

Runaway Taxes Threaten Canada's Beer Industry

TORONTO, ONTARIO – January 15, 2018 – Canada's brewers have launched a major new campaign to fight runaway taxation – taxes are already 47 per cent of the cost of a bottle of beer – on behalf of beer lovers and beer makers from coast to coast.

The www.axethebeertax.ca campaign launches at the same time a new Conference Board of Canada report is released which updates for 2016 the economic contribution beer makes each year in Canada: \$13.6 billion in economic activity and 149,000 Canadian jobs delivering \$5.3 billion in wages to Canadian workers, including everyone from grain farmers, to bottlers, to drivers who deliver product to local communities.

Canada's beer industry is severely threatened in 2018, however, by runaway taxes.

Every bottle or glass of beer consumed by Canadians is already half empty – half of what consumers pay (47 per cent) is tax. That's already one of the highest beer taxation rates in the world.

But it gets worse. On April 1, 2018, an automatic "escalator" kicks in on beer taxes that will continue to drive the tax rate up, unchecked, with no end in sight.

"Imagine being stuck on an escalator going up and up and up, and you cannot get off, and you cannot make it stop – that's what beer lovers in Canada are facing with this escalator tax. We need people who love beer to help us axe the escalator tax," said Beer Canada Chair Gerooge Croft, speaking on behalf of members large and small who represent 90 per cent of all beer sold in Canada.

The threat to Canada's beer industry is real. The Conference Board report highlights that, already, per capita consumption of beer in Canada has declined by 10 per cent due to various factors including high taxation driving up beer prices.

Since 2012, provincial taxes on beer have increased 58 per cent in Quebec, 18 per cent in Ontario, 19 per cent in Manitoba, 24 per cent in Saskatchewan and 28 per cent in Alberta.

Now, the 2 per cent federal excise tax that came into effect in March 2017 will climb annually, with the automatic tax escalator kicking in on April 1, 2018.

“That means even higher prices for beer in Canada,” Croft said. “Governments are punishing beer drinkers with these price hikes for no good reason and its time brewers and consumers said enough is enough.”

The Beer Canada campaign asks Canadian consumers to go to www.axethebeertax.ca to watch videos about the campaign, sign a petition to politicians demanding they scrap the escalator tax, and share their thoughts with Finance Minister Bill Morneau and their Member of Parliament.

RESOURCES

- A video showing consumer reaction to the escalator tax is [here](#).
- The axe the tax petition is [here](#).
- The Conference Board of Canada report is [here](#).

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

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