



**Media Release**

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### **Government drives spirit price increases**

From tomorrow the prices of all spirits will rise driven by a 4.55 per cent hike in the excise on alcohol beverages.

This in turn will force an increase in retail prices charged by bars, restaurants, liquor stores and other outlets which will be required to add goods and service tax and any other relevant mark-ups.

Distilled Spirits Association Chief Executive Officer Thomas Chin says the increase comes at a particularly difficult time for the hospitality industry.

“The industry is already suffering from the downturn in retail spending as many people struggle to cover their living costs, the impact of the Christchurch earthquake and the decline in visitor numbers.”

“Higher prices will only confound efforts to stimulate turnover and may lead to further closures and job losses before any benefits of the Rugby World Cup are gained.”

On spirits, such as whisky, rum, vodka and gin – to mention a few – the new tax rates mean that 73 per cent of the retail price of a standard bottle goes to the Government in some form of taxation.

“Not many consumers are aware just how big the Government’s impact on spirit prices is. Nearly three-quarters of the cost of every standard one litre bottle of spirits goes directly to the Government with the remaining quarter divided between the brand-owner, distributor and retailer.”

Excise on spirits generates in excess of \$265 million a year in revenue for the Government.

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[Click to see Tax graphic detailing breakdown of taxes on spirit beverage.](#)