



Tax Credits Encouraging for Spirit Exporters

The Government's vision of issuing tax credits to encourage export market development is warmly supported by the country's leading distillers.

The idea is part of the Business Tax Review, which was announced last week and seeks to foster a more supportive environment for the nation's exporters.

Thomas Chin, chief executive of the Distilled Spirits Association comments: "Export sales of spirits and liqueurs have not yet reached their significant potential, so any measure that can help to expand the country's export base and aid its global competitiveness in this area is to be commended."

According to Government Statistics just released for the year ended June 2006, turnover receipts for the spirits sector amounted to around \$33million. This figure is significantly down on the high of \$48million that was achieved in 2004.

Mr Chin puts the recent slump down to the challenging conditions facing the industry in recent years, including high taxes, currency fluctuations, rising compliance costs and trading barriers.

"There's no doubt that these obstacles have had an impact on an already overburdened industry, and have contributed to the current decline faced by the industry, but we're cautiously optimistic for 2007 and beyond, particularly if this tax reform goes ahead."

Australian and Asian markets currently take the bulk of export volumes and are part of more than 35 international destinations that New Zealand made spirits and liqueurs are dispatched to. However, Mr Chin says much remains to be done to maximise returns and improve these opportunities.

"The spirits export market constantly needs to seek out new markets and opportunities. Our ability to meet these consumer demands and respond in a timely manner to changing tastes and preferences is a driving force of our international reputation for innovation and quality."

ENDS.

Prepared on behalf of DSA by *the pr shop*. For further information, please contact Sally Frewin, (09) 368 1078, 021 333 221 or email sally@theprshop.co.nz

