



*New Release
Communique*

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For Immediate Release*

**The Ontario Restaurant Hotel & Motel Association Responds to Inequities in LCBO
Discounts**

Licensees disappointed by exclusion

The Ontario Restaurant Hotel & Motel Association (ORHMA) today issued an open letter to Finance Minister Dwight Duncan and Premier Dalton McGuinty in response to a Ministry of Finance announcement made yesterday which would allow for a 20% discount on the LCBO markup for products purchased by a select group of retailers in Ontario.

Tony Elenis, ORHMA President and CEO says, “The industry has long been pressing for a wholesale pricing regime for Ontario’s 16,659 licensed bars, taverns, nightclubs and restaurants, with a goal of leveling the playing field while also promoting the responsible sale and service of beverage alcohol. Yesterday’s announcement is a disappointment and a source of frustration for the industry.”

More than three quarters of all foodservice establishments in Ontario are licensed to sell and serve liquor, and are guided by the Liquor License Act. Other than a minor discount provided on LCBO purchases (5% on all products except Ontario wine which is 10%) liquor licensees must pay full retail price on beer, wine and spirits. Embedded in the full retail price of beverage alcohol is a complex regime of fees, levies, markups and taxes, both Federal (e.g. Excise or Customs Duties) and Provincial, often making the total purchase price higher than what consumers pay. Ontario's 16,659 licensed restaurants, pubs, bars and taverns purchase almost \$450 million per year of wine and spirits from the LCBO for resale to patrons.

The ORHMA has asked government to consider our position and implement a true wholesale pricing regime for liquor licensees which should be at the very least, equivalent to the discounts available to the LCBO’s agency stores. This will stimulate licensee purchasing power and alleviate fiscal pressures on an already struggling industry.

Elenis continues, “The government must also consider the impact a discount of this magnitude would have on the hospitality industry’s ability to create jobs and contribute to the very tax base that’s now being used to subsidize discounts in other areas.”

About the ORHMA

The Ontario Restaurant Hotel & Motel Association (ORHMA) is the largest provincial hospitality association in Canada. The ORHMA is uniquely positioned to represent the interests of both the foodservice and accommodation industries. Visit the ORHMA on the web at www.orhma.com.

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