



Information Bulletin

Markup

For agents and suppliers

The SAQ is adjusting its fixed markup

The SAQ will be making an upward adjustment to its fixed markup on spirits (except cognacs and alcohols) and liqueurs. The changes related to the adjustment will take effect on March 3, 2010.

The impact of the adjustment to the fixed markup on spirits will be an average increase of 3% in the retail prices of these products, or around \$0.60 for products in 750-ml containers and \$1.00 for products in 1.14-litre containers. The adjustment to the fixed markup on liqueurs will result in an average increase of about 2%, or \$0.45 for products in 750-ml containers and \$0.75 for products in 1.14-litre containers. The increases will affect approximately 1,050 products, of which 800 are spirits and 250 liqueurs. These correspond to around 10% of the products carried by the SAQ.

By taking this action, the SAQ is seeking to counter the erosion of its profit margin expressed as a percentage of net sales. The same goal will also see the SAQ implementing an annual indexing mechanism for the fixed markup on all its products beginning in February 2011. The indexing calculation will be based on a percentage of the Quebec consumer price index (CPI), thereby ensuring that the indexing rate is always less than the inflation rate. For example, given an inflation rate of 2%, the impact on retail prices would be approximately 0.6% for spirits and 0.8% for wines.

Since 2002, the SAQ has had the lowest inflation rate in Canada with respect to wine and spirits prices.

For more information, please contact
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