The Contribution made by Beer to the European Economy

Belgium - January 2016

Europe Economics

The Brewers of Europe

BELGIUM

1. COUNTRY PROFILE

	2014
Population	11,244,995
Currency	Euro
GDP per capita in PPS (2012, EU28 = 100)	119

Source: Eurostat and National Statistical offices.

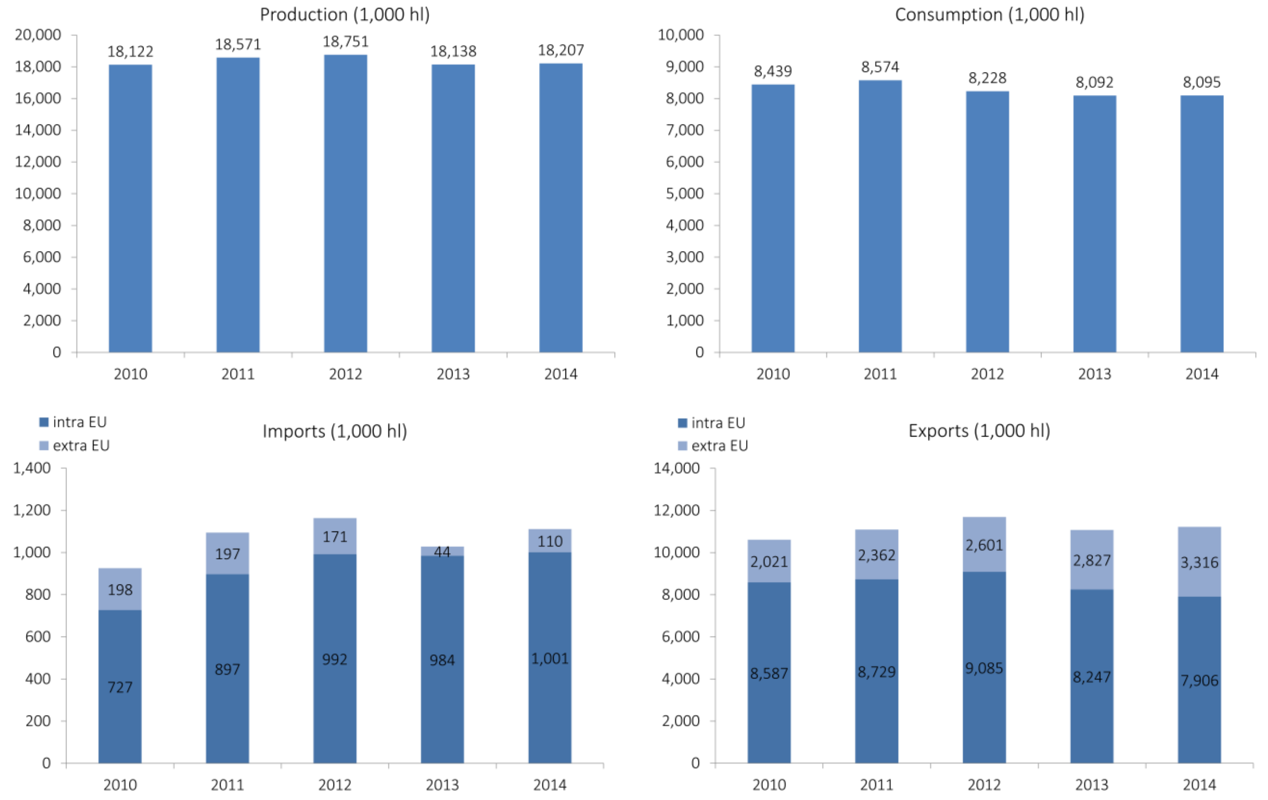
2. HIGHLIGHTS BELGIUM

Table 1: Economic impact of beer in Belgium (2013-2014)

	2013	2014	% Change
Total number of jobs	49,251	49,291	0.1 %
Value-added (million Euro)	1,758	1,769	0.6 %
Government revenues (million Euro)	1,464	1,467	0.2 %

Source: Calculations - different sources.

Figure 1: Development of production, consumption, imports and exports (2010-2014)



Source: National associations.

3. BREWING SECTOR

Table 2: Basic characteristics of the Belgium brewing sector (2013-2014)

	2013	2014
Total production (in hectolitres)	18,138,000	18,207,000
Brewing companies	N/A	N/A
Breweries (including microbreweries)	160	168
Microbreweries	N/A	N/A

Source: National Associations.

Total production slightly increased to over 18 million hectolitres in 2014. The number of breweries and microbreweries in Belgium increased to nearly 170 from 160 in 2013.

4. BEER MARKET

Table 3: Basic characteristics beer market (2013-2014)

	2013	2014
Total consumption in hectolitres	8,092,000	8,095,000
Total consumer spending (in million Euro)	3,606	3,627
Consumption of beer per capita (in litres)	72.0	72.0
Beer consumption on-trade (hospitality)	45%	45%
Beer consumption off-trade (retail)	55%	55%
Average consumer price in on-trade (1 litre, including taxes) (in Euro)	7.9	7.9
Average consumer price in off-trade (1 litre, including taxes) (in Euro)	1.68	1.69

Source: National Associations.

Beer consumption and total consumer spending remained stable in 2014. Prices and the shares accounted for in the on- and off-trade are also stable.

5. TRENDS AND DEVELOPMENTS

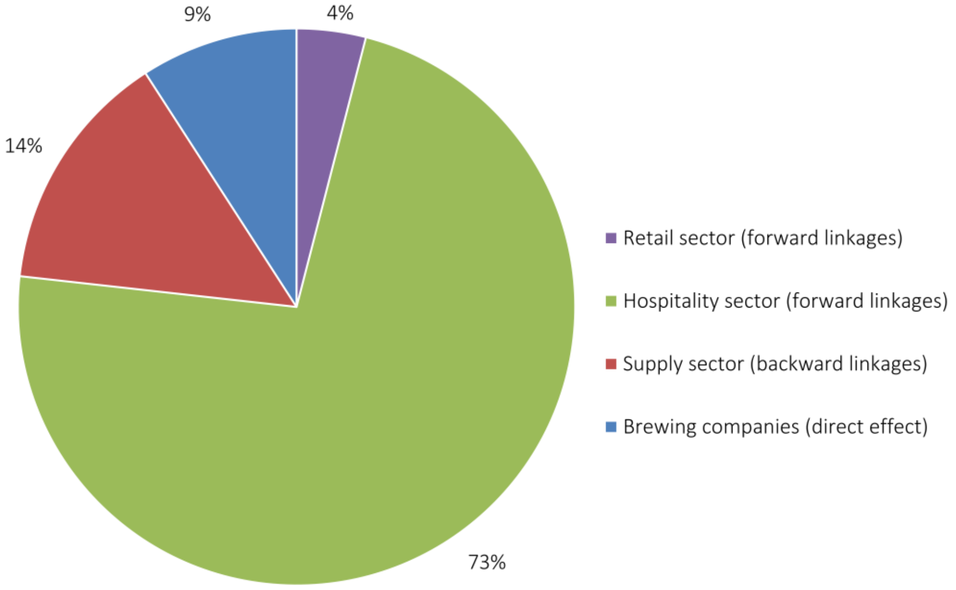
Over the medium-term less beer is being consumed in the on-trade, though that share has not changed in the last year, with fewer visits to bars and some bars closing (potential causes include bans on smoking and additional tax obligations). More beer is being consumed in the off-trade and firms are responding to new consumer demand with new products, for example Jupiler Cold Grip Ribbed Cans were designed to more closely mimic the feel of a beer glass.

There were also changes in the kinds of beer consumed: less lager and more craft or specialty beers. More competition is present in the craft sector as new entrants come into the market. These trends mean an increase in the number of Stock Keeping Units which firms need to maintain in order to serve the market, as they launch new lines or extend existing lines.

6. EMPLOYMENT GENERATED BY THE BEER SECTOR

The contribution to employment in Belgium in 2014 was around 50,000, with little change from 2013 to 2014. As in the rest of Europe, but to an even greater degree, most are employed in the hospitality sector, which accounted for 82 per cent of the total contribution to employment.

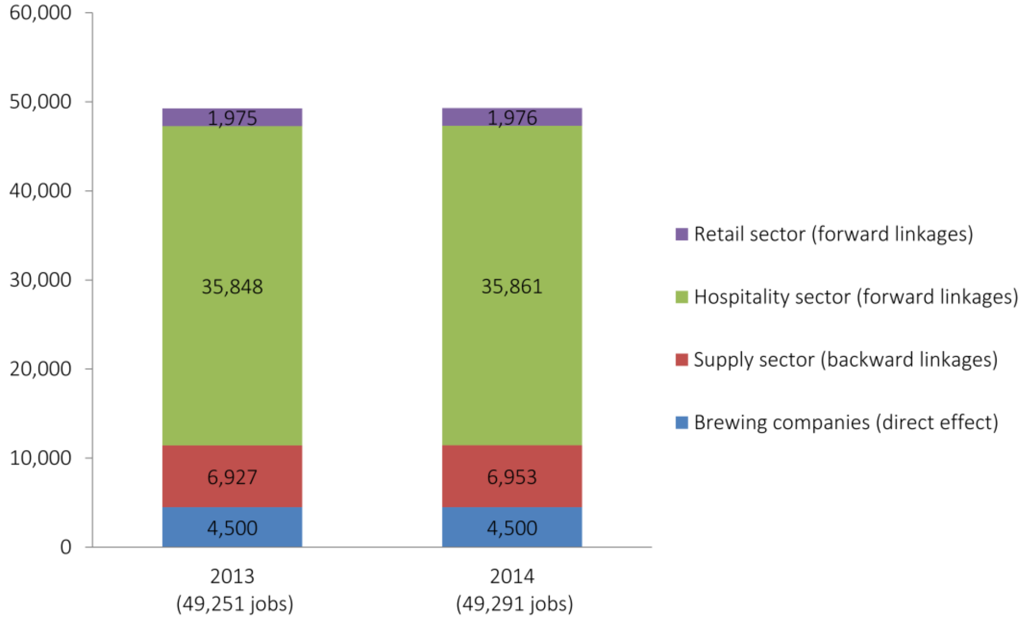
Figure 2: Total employment because of beer in 2014: 49,291 jobs



Source: Calculations - different sources.

The employment trend within the different sectors varies a little but all sectors are characterized by minor changes, reflecting the broadly stable market.

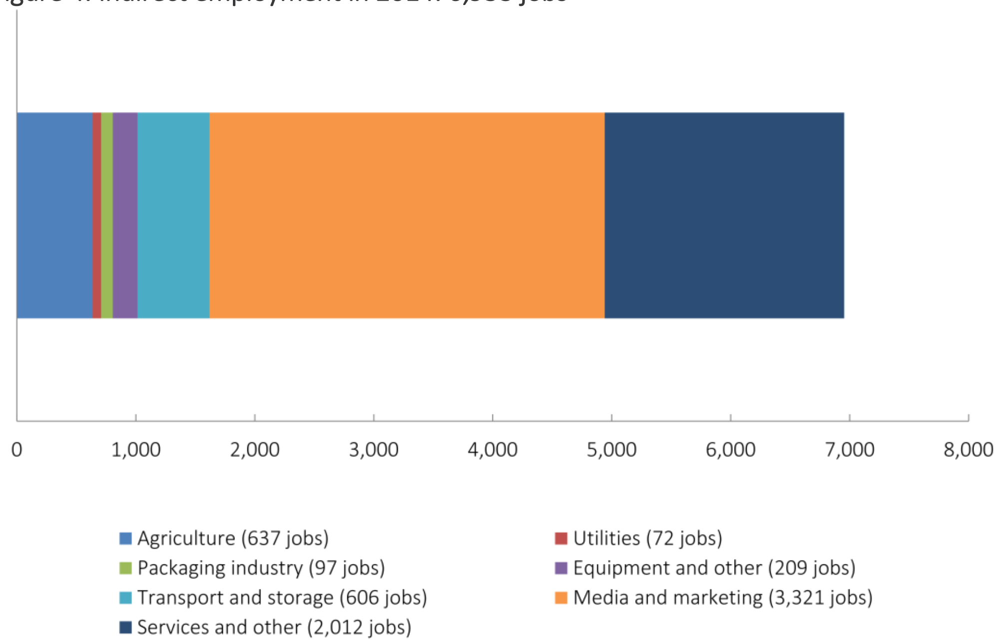
Figure 3: Change in employment (2013-2014): 0.1 %



Source: Calculations - different sources.

The level of employment in supply sectors is the largest in service industries (especially Media and Marketing) and relatively low in agriculture compared to other European countries, reflecting differences in the structure of purchases. Belgian brewers purchase a relatively low volume of agricultural goods in the home market.

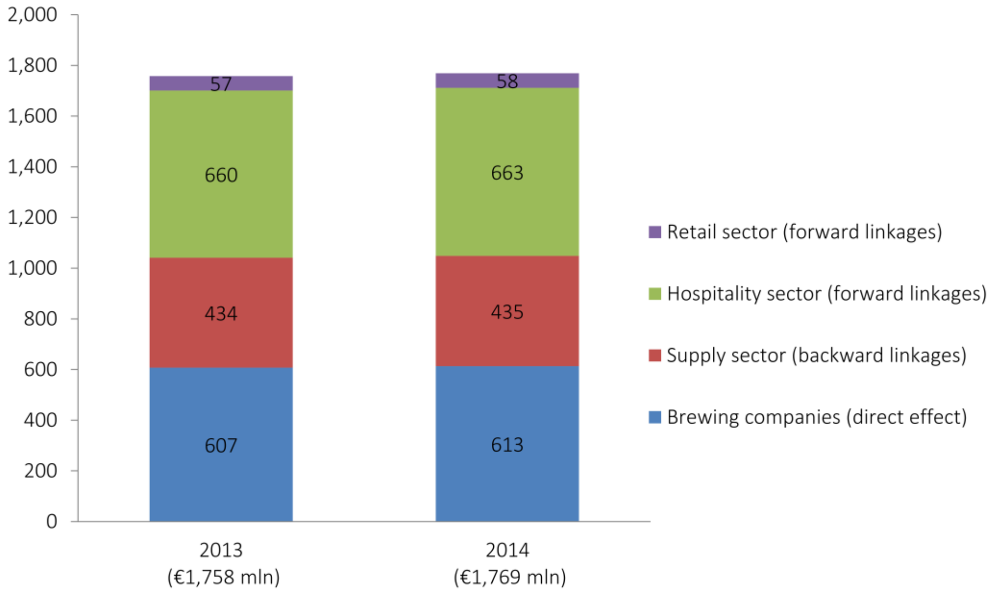
Figure 4: Indirect employment in 2014: 6,953 jobs



Source: Calculations - different sources.

7. VALUE ADDED GENERATED BY THE BEER SECTOR

Figure 5: Change in value added (2013-2014): 0.6 %



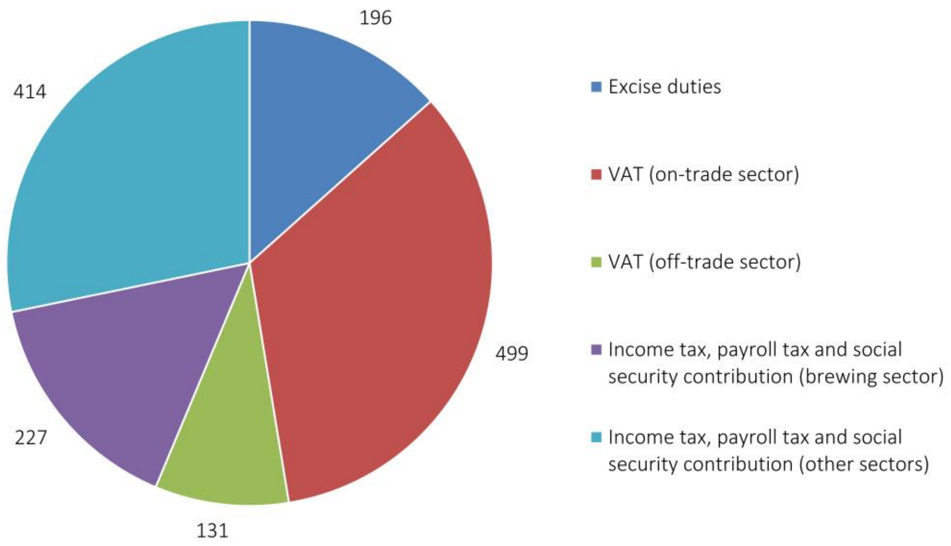
Source: Calculations - different sources.

Value added generated by the beer sector has remained steady around €1.77 billion in 2013 and 2014. The direct employment effect of the brewing companies has increased, while employment in the on-trade has marginally declined.

8. GOVERNMENT REVENUES RELATED TO BEER

Total government revenue related to beer production and sales was nearly €1.47 billion in 2014. As in the rest of Europe, the largest share is related to the on-trade sector and the second largest part is represented by taxes on labour income in other sectors besides brewing.

Figure 6: Government revenues generated by beer in 2014: 1,467 million Euro



Source: Calculations - different sources.

Table 4: Government revenues (2013-2014)

	2013	2014	% Change
Excise duties (million Euro)	183	196	7.1 %
VAT (on-trade) (million Euro)	496	499	0.6 %
VAT (off-trade) (million Euro)	130	131	0.6 %
Income tax, payroll tax and social security revenues (brewing companies) (million Euro)	243	227	-6.8 %
Income tax, payroll tax and social security revenues (other sectors) (million Euro)	411	414	0.7 %
Total government revenues (million Euro)	1,464	1,467	0.2 %

Source: Calculations - different sources.

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