The Contribution made by Beer to the European Economy

France - January 2016

Europe Economics

The Brewers of Europe

FRANCE

1. COUNTRY PROFILE

	2014
Population	65,856,609
Currency	Euro
GDP per capita in PPS (2012, EU28 = 100)	107

Source: Eurostat and National Statistical offices.

2. HIGHLIGHTS FRANCE

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

	2013	2014	% Change
Total number of jobs	60,521	61,237	1.2 %
Value-added (million Euro)	3,719	3,894	4.7 %
Government revenues (million Euro)	2,835	3,093	9.1 %

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 France brewing sector (2013-2014)

	2013	2014
Total production (in hectolitres)	15,491,000	16,985,000
Brewing companies	577	660
Breweries (including microbreweries)	580	663
Microbreweries	504	566

Source: National Associations.

Production increased from 2013 to 2014. The number of brewing companies and breweries (especially microbreweries) also increased significantly.

4. BEER MARKET

Consumption and consumer spending increased in 2014 while prices remained broadly stable. The shares of consumption accounted for by the on- and off-trades remained stable as well, with a slight increase in the on-trade share.

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

	2013	2014
Total consumption in hectolitres	19,421,000	19,956,000
Total consumer spending (in million Euro)	7,185	7,328
Consumption of beer per capita (in litres)	29.5	30.0
Beer consumption on-trade (hospitality)	21%	20%
Beer consumption off-trade (retail)	79%	80%
Average consumer price in on-trade (1 litre, including taxes) (in Euro)	10.92	11.20
Average consumer price in off-trade (1 litre, including taxes) (in Euro)	1.78	1.79

Source: National Associations.

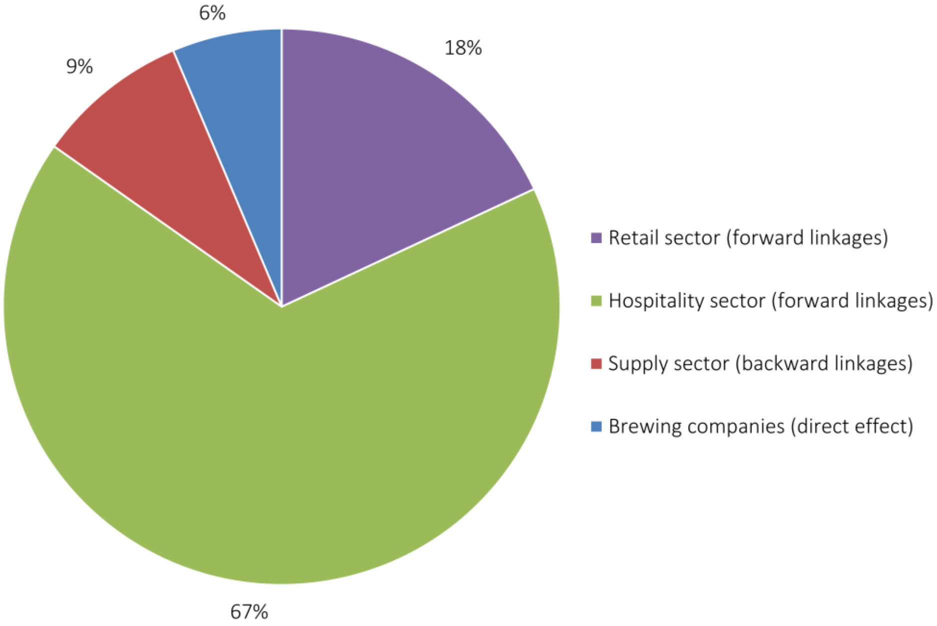
5. TRENDS AND DEVELOPMENTS

There has been a steady shift from consumption in the on-trade to consumption in the off-trade and a decline in overall beer consumption in line with wider European trends. There was a very large (160 per cent) increase in beer excise duty in 2013.

Many consumers have a preference for beer “made in France” or “locally produced”. This provides an advantage to firms with a French manufacturing presence. There is an increasing focus on the premium market. Craft beers are growing, but they remain only a small part of the overall market, while classic lagers are declining. Firms are responding to consumer tastes with an increased footprint in France and launches of new flavoured beers (with lemon, red fruits or mango) and non-alcoholic beers.

6. EMPLOYMENT GENERATED BY THE BEER SECTOR

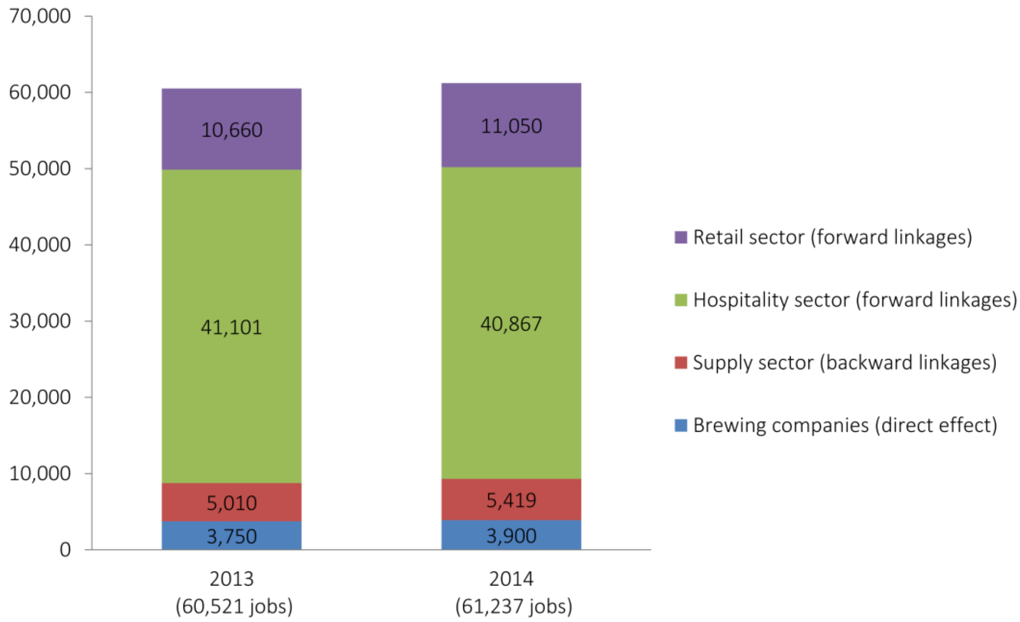
Figure 2: Total employment because of beer in 2014: 61,237 jobs



Source: Calculations - different sources.

The total beer-related contribution to employment in 2014 was around 61,000 jobs, of which around two thirds were accounted for by the on-trade, which is very similar to the pattern in other European countries.

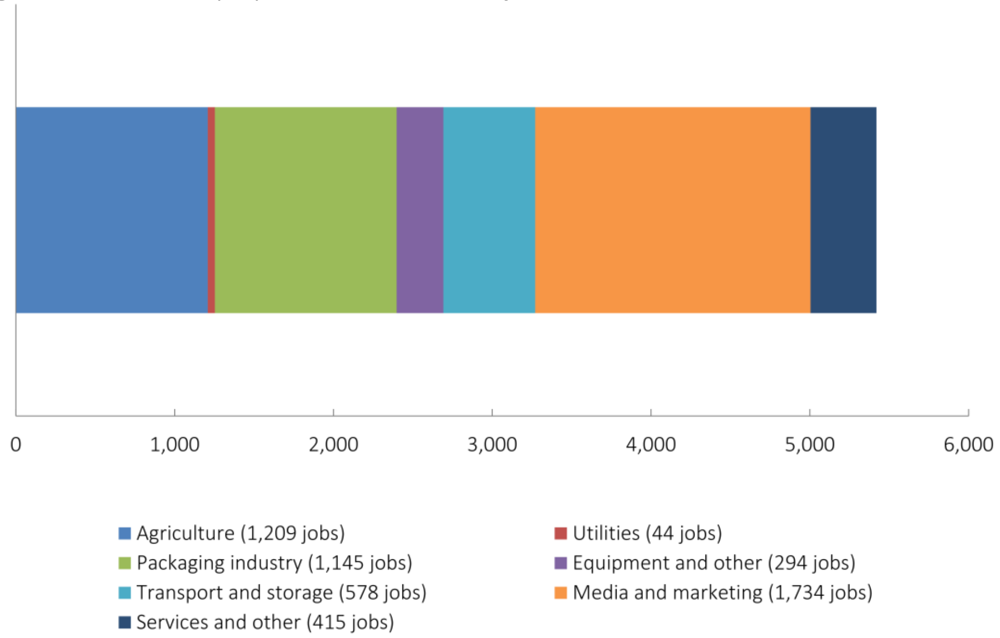
Figure 3: Change in employment (2013-2014): 1.2 %



Source: Calculations - different sources.

The largest shares in indirect employment are in the media and marketing sector and in agriculture, reflecting a high share for domestic consumption.

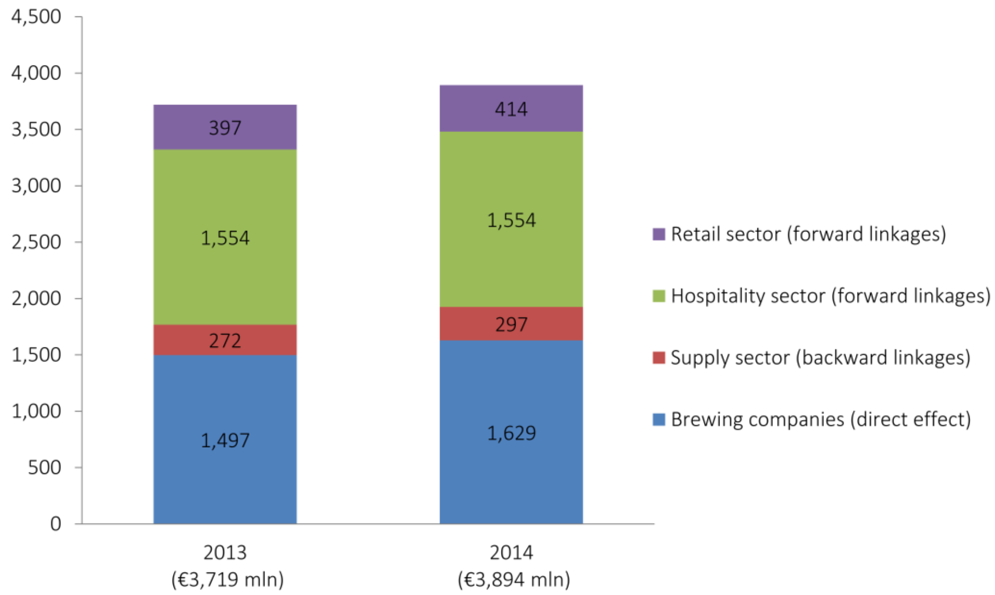
Figure 4: Indirect employment in 2014: 5,419 jobs



Source: Calculations - different sources.

7. VALUE ADDED GENERATED BY THE BEER SECTOR

Figure 5: Change in value added (2013-2014): 4.7 %

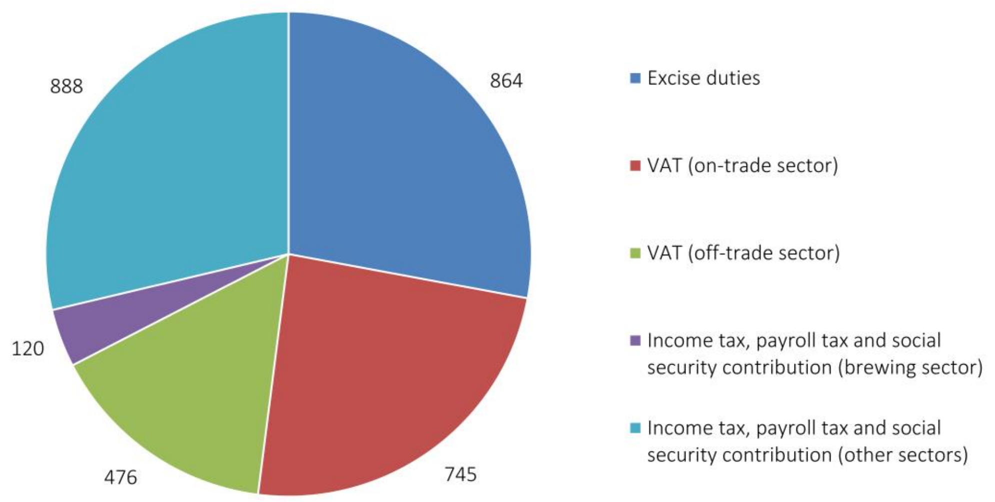


Source: Calculations - different sources.

There has been a 5 per cent increase in the beer-related contribution to value added from 2013 to 2014. The largest increase was in the brewing companies themselves, who now account for the largest share in the overall contribution to value added.

8. GOVERNMENT REVENUES RELATED TO BEER

Figure 6: Government revenues generated by beer in 2014: 3,093 million Euro



Source: Calculations - different sources.

Table 4: Government revenues (2013-2014)

	2013	2014	% Change
Excise duties (million Euro)	670	864	28.8 %
VAT (on-trade) (million Euro)	730	745	2.1 %
VAT (off-trade) (million Euro)	448	476	6.4 %
Income tax, payroll tax and social security revenues (brewing companies) (million Euro)	113	120	5.8 %
Income tax, payroll tax and social security revenues (other sectors) (million Euro)	874	888	1.6 %
Total government revenues (million Euro)	2,835	3,093	9.1 %

Source: Calculations - different sources.

The total beer-related contribution to government revenues was over €3bn in 2014, an over 9 per cent increase from 2013. The largest increase was in excise duty revenues, but there was also a material increase in VAT revenues and in taxes on labour income in the brewing sector.

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