

THE BREWERS OF EUROPE NEWS RELEASE

Resilient European brewing sector hit by recession but fighting back

BRUSSELS, 22 September 2011: A new report shows that more than a quarter of a million jobs have been lost in two years as a result of the growing tax burden and impact of the economic crisis on beer, damaging the European economy as a whole. Although there are signs that the downward trend slowed in 2010, appropriate support from governments and policy makers is needed.

According to the Ernst & Young and Regioplan study, beer consumption fell 8 percent from 2008 to 2010, cutting 260,000 jobs, of which 85% in the hospitality sector, in the sector's value chain. Government revenues from the sector, including excise duties collection, fell a staggering 6% in one year, from 54 billion in 2008 to 50.6 billion Euros in 2009, in spite of tax increases on beer across a number of countries.

Although the overall contribution of beer to the EU economy has decreased by 10 percent since 2008, the contribution of the brewing sector to the economy remains very significant. Production and consumption of beers provides more than 2 million jobs across Europe whilst total annual sales equal around 106 billion Euros. Despite tough times, the number of breweries multiplied to over 3,600 last year, from just over 3,000 in 2008. Non-alcoholic beer sales have also increased in some countries.

"The study underlines the fact that the brewing sector has resilience, remains a global leader and has a very positive impact on the European economy," said Alberto Da Ponte, President of The Brewers of Europe, which represents the 3,600 breweries across Europe.

In addition to the recent global downturn, the decrease in the economic contribution was driven by an increasing tax burden, higher raw material prices, new restrictions and a growing shift in consumption from the hospitality sector towards retail and home consumption, where the government revenues, value-added and employment generated by one litre of beer are significantly lower. Beer sales fell by 15% in the hospitality sector, compared to 4% in retail outlets.

As the economic crisis hit in 2008, China passed the EU as the biggest beer producer in the world, the study shows. Despite the crisis, the sector has adapted well, although relentless increases in beer excise duties will stifle any recovery and it needs supportive government policy in terms of regulation and taxation, to now help drive the growth of the wider EU economy and help prevent further job losses.

Da Ponte said, "The report shows how with the right policy from governments and policymakers, the brewing sector can play a leading role in the economic recovery that is important to us all."

The report presents consolidated data on the 27 EU Member States. Detailed information is also provided on the EU 27 countries plus Croatia, Norway, Switzerland and Turkey.

Full report and short leaflet available at: <http://www.brewersofeurope.org/asp/publications/index.asp>

Headline EU data	2008	2009	2010	2008-10
Production (million hectolitres)	407.6	386 (-5%)	382.6 (-1%)	-6%
Total consumption (million hectolitres)	374.3	358 (-4%)	342.6 (-4%)	-8%
Employment (people)	2,302,573	2,102,212 (-9%)	2,035,507 (-3%)	-12%
Value added (million €)	55,395	51,183 (-8%)	50,074 (-2%)	-10%
Government revenues (million €)	53,948	50,557 (-6%)	50,572 (0%)	-6%

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