



# The Contribution made by Beer to the European Economy

 Ireland - January 2016



# IRELAND

## 1. COUNTRY PROFILE

	2014
Population	4,594,895
Currency	Euro
GDP per capita in PPS (2012, EU28 = 100)	132

Source: Eurostat and National Statistical offices.

## 2. HIGHLIGHTS IRELAND

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

	2013	2014	% Change
Total number of jobs	44,373	44,741	0.8 %
Value-added (million Euro)	1,791	1,720	-4 %
Government revenues (million Euro)	1,255	1,330	6 %

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 Ireland brewing sector (2013-2014)

	2013	2014
Total production (in hectolitres)	8,008,000	7,288,000
Brewing companies	30	50
Breweries (including microbreweries)	30	50
Microbreweries	N/A	N/A

Source: National Associations.

Production declined by 8 per cent from 2013 to 2014. On the other hand, the number of brewing companies and breweries increased significantly with respect to 2013, reflecting a rise in the diversity of the sector.

### 4. BEER MARKET

Consumption and consumer spending increased, while prices remained broadly stable. There was no change in the shares of consumption accounted for by the on- and off-trades.

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

	2013	2014
Total consumption in hectolitres	4,328,000	4,481,000
Total consumer spending (in million Euro)	2,891	2,996
Consumption of beer per capita (in litres)	79.0	81.0
Beer consumption on-trade (hospitality)	64%	64%
Beer consumption off-trade (retail)	36%	36%
Average consumer price in on-trade (1 litre, including taxes) (in Euro)	8.2	8.2
Average consumer price in off-trade (1 litre, including taxes) (in Euro)	3.94	3.96

Source: National Associations.

### 5. TRENDS AND DEVELOPMENTS

Unlike in many other European countries, there has been an increase in consumption in Ireland, after ten years of decline and reflecting the economic recovery. There has been a rise in the share of beer consumed at home, though that follows a decline in previous years and there has not been the scale of shift to the off-trade seen in many other European countries.

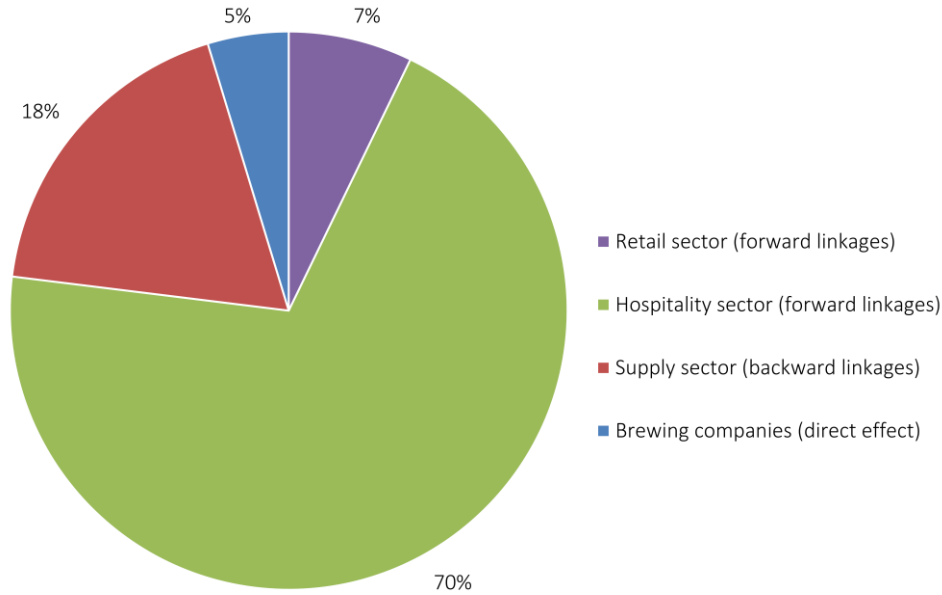
Production has fallen, however, reflecting conditions in international markets. Microbrewery production is increasing and 40 per cent of microbreweries export to other markets.

Companies are responding to the opportunities and challenges they are facing by increasing investment, particularly in product development.

## 6. EMPLOYMENT GENERATED BY THE BEER SECTOR

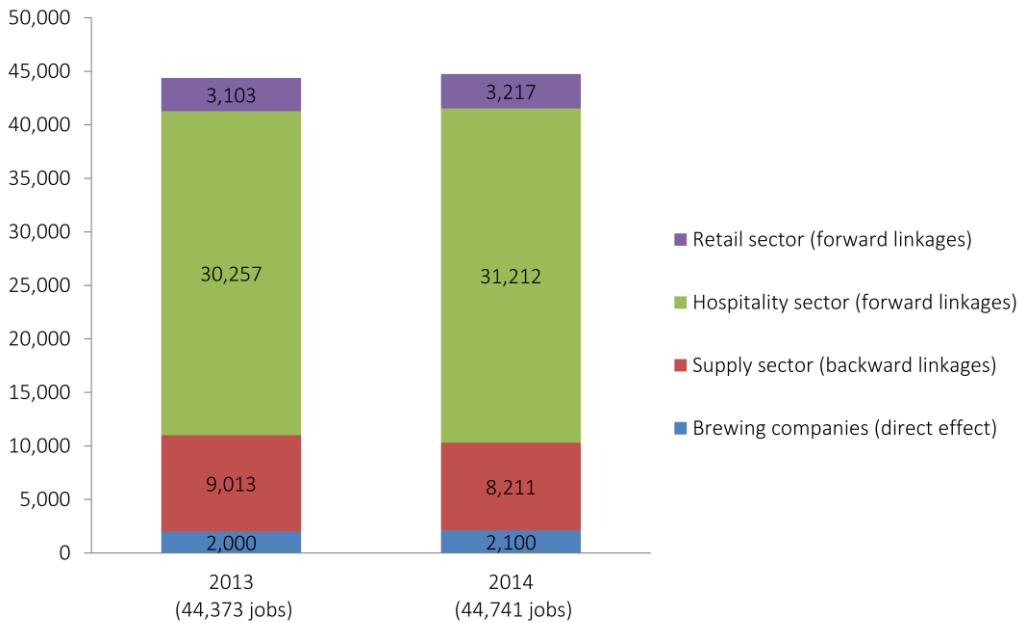
The beer-related contribution to employment in Ireland in 2014 was nearly 44,800 jobs, an increase of around 370 from 2013. Around two thirds are employed in the on-trade, as in a number of other European countries.

Figure 2: Total employment because of beer in 2014: 44,741 jobs



Source: Calculations - different sources.

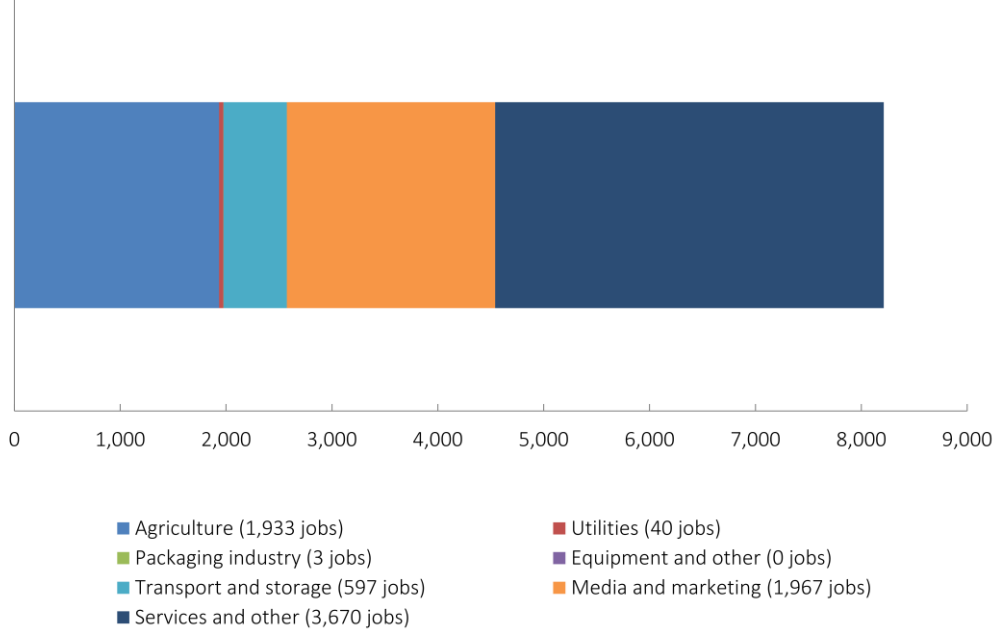
Figure 3: Change in employment (2013-2014): 0.8 %



Source: Calculations - different sources.

The largest beer-related contribution to employment in the supply sectors occurred in the service sectors, despite agricultural supplies being purchased domestically. This therefore represents the reported balance in purchases.

Figure 4: Indirect employment in 2014: 8,211 jobs



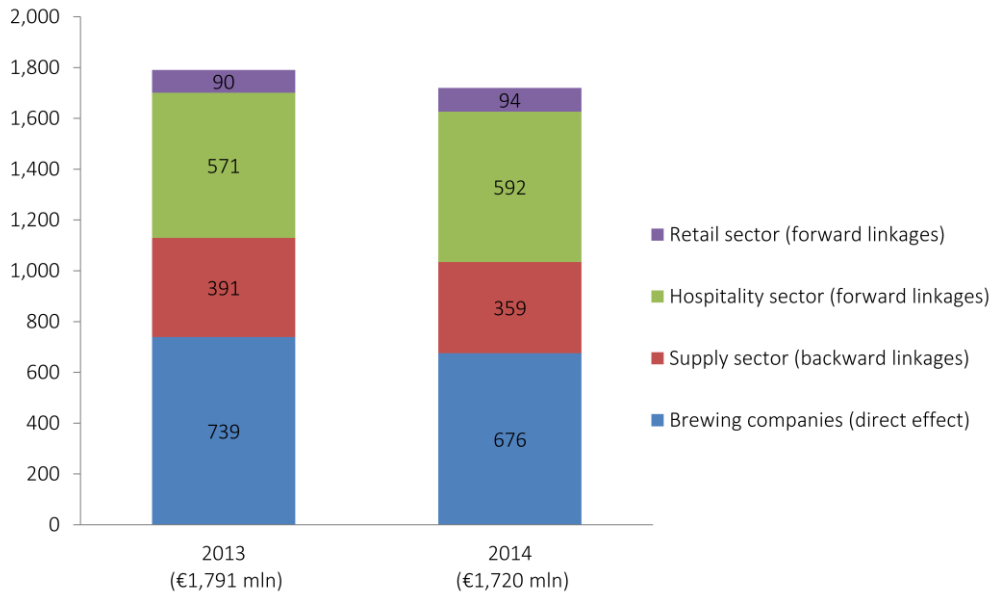
Source: Calculations - different sources.

## 7. VALUE ADDED GENERATED BY THE BEER SECTOR

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The beer-related contribution to value added fell by 4 per cent from 2013 to 2014. The sectoral pattern is similar to that for employment in the retail, hospitality and supply sectors, but value added in the brewing sector itself declined between 2013 and 2014, again likely reflecting pressure in global markets.

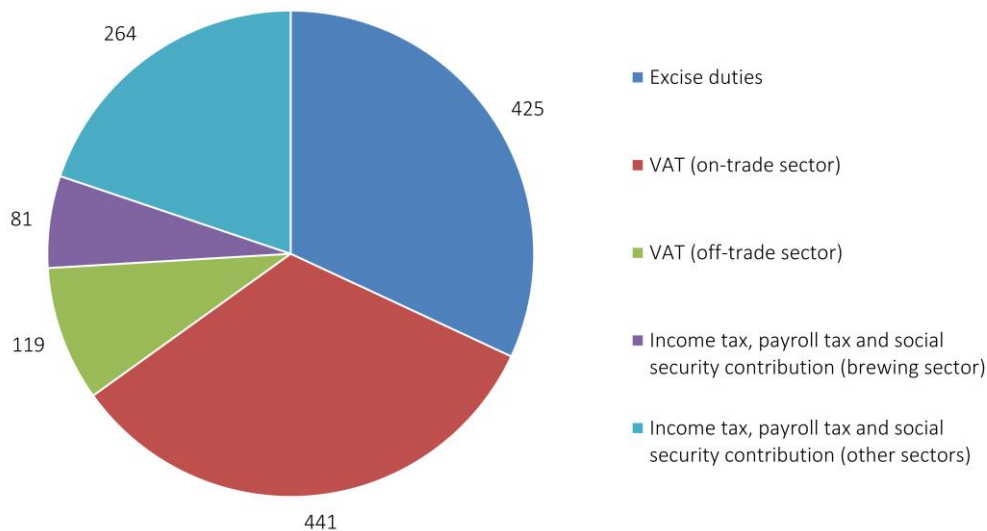
Figure 5: Change in value added (2013-2014): -4.0 %



Source: Calculations - different sources.

## 8. GOVERNMENT REVENUES RELATED TO BEER

Figure 6: Government revenues generated by beer in 2014: 1,330 million Euro



Source: Calculations - different sources.

The total beer-related contribution to government revenues increased from 2013 to 2014, with increases in excise duties and on-trade and off-trade VAT, in particular. The brewing company contribution to income tax revenues declined, reflecting the fall in value added.

**Table 4: Government revenues (2013-2014)**

	2013	2014	% Change
Excise duties (million Euro)	358	425	18.7 %
VAT (on-trade) (million Euro)	426	441	3.5 %
VAT (off-trade) (million Euro)	115	119	4.1 %
Income tax, payroll tax and social security revenues (brewing companies) (million Euro)	92	81	-11.6 %
Income tax, payroll tax and social security revenues (other sectors) (million Euro)	265	264	-0.4 %
<b>Total government revenues (million Euro)</b>	<b>1,255</b>	<b>1,330</b>	<b>6.0 %</b>

Source: Calculations - different sources.



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