



# The Contribution made by Beer to the European Economy

 Czech Republic - January 2016



# CZECH REPUBLIC

## 1. COUNTRY PROFILE

	2014
Population	10,512,410
Currency	Koruna
GDP per capita in PPS (2012, EU28 = 100)	84

Source: Eurostat and National Statistical offices.

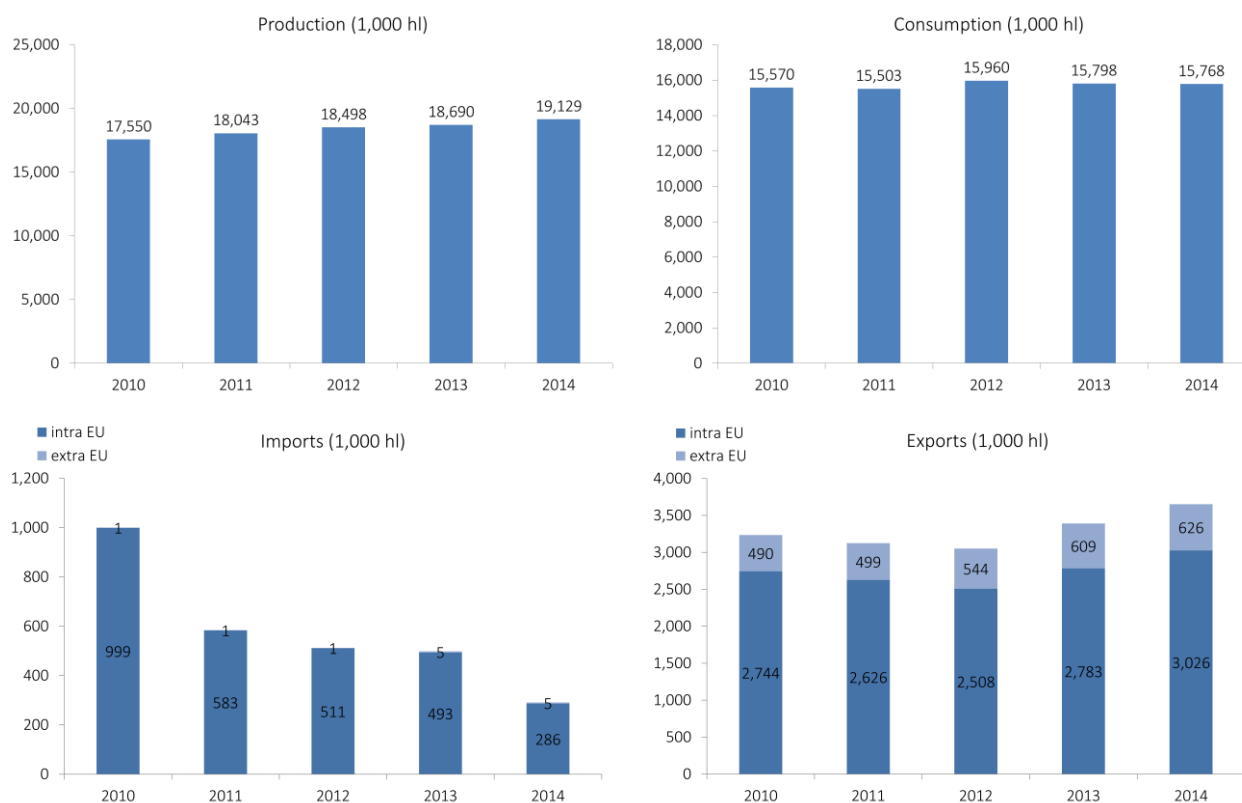
## 2. HIGHLIGHTS CZECH REPUBLIC

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

	2013	2014	% Change
Total number of jobs	79,952	76,282	-4.6 %
Value-added (million Euro)	1,404	1,354	-3.6 %
Government revenues (million Euro)	931	887	-4.7 %

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 Czech Republic brewing sector (2013-2014)

	2013	2014
Total production (in hectolitres)	18,690,000	19,129,000
Brewing companies	289	322
Breweries (including microbreweries)	308	338
Microbreweries	207	238

Source: National Associations.

Total production increased from around €18.7 billion in 2013 to around €19.1 billion in 2014. The number of breweries increased significantly to nearly 340 in 2014.

### 4. BEER MARKET

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

	2013	2014
Total consumption in hectolitres	15,798,000	15,768,000
Total consumer spending (in million Euro)	2,563	2,431
Consumption of beer per capita (in litres)	144.0	144.0
Beer consumption on-trade (hospitality)	41%	41%
Beer consumption off-trade (retail)	59%	59%
Average consumer price in on-trade (1 litre, including taxes) (in Euro)	2.26	2.15
Average consumer price in off-trade (1 litre, including taxes) (in Euro)	1.18	1.12

Source: National Associations.

Beer consumption and total consumer spending slightly decreased in 2014. Prices and the shares accounted for by the on- and off-trades remained broadly stable.

## 5. TRENDS AND DEVELOPMENTS

Consumption has been broadly stable and consumption at home has remained around 40 per cent of the market, but there has been a longer-term shift from the on-trade to the off-trade and decline in overall volumes. There are changes taking place in the structure of the market:

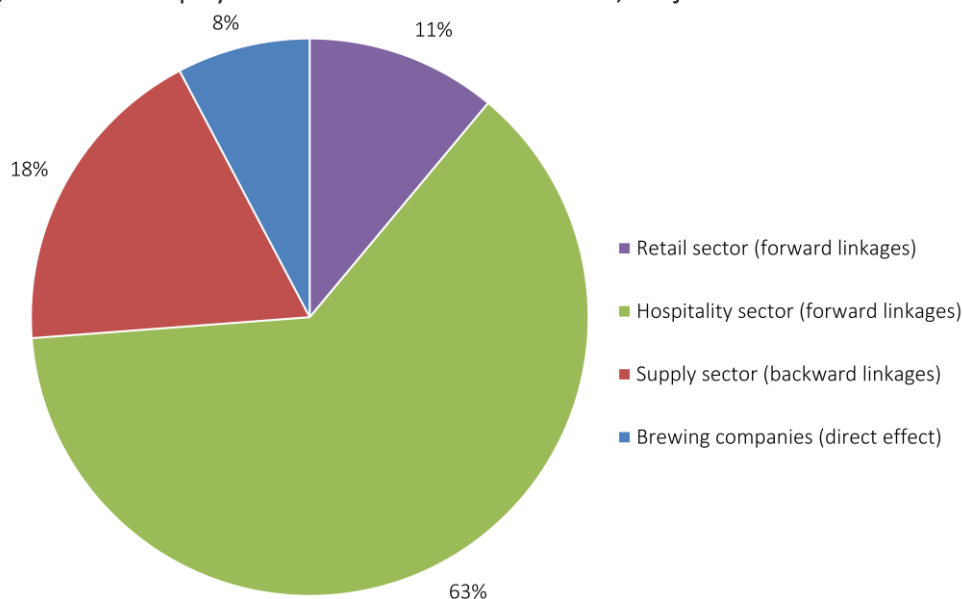
- there is an increasing number of microbreweries and specialty beers;
- more beer mixes and ciders are being consumed; and
- more beer is being consumed in PET bottles and cans.

Czech consumers prefer beers brewed in the Czech Republic and have returned to lager as the main type of beer they consume. Exports are also growing, meaning that the sector as a whole is healthy despite past reductions in the volume of beer consumed domestically.

The industry is enlarging its offer to consumers, bringing new flavoured non-alcoholic beer and malt based soft drinks.

## 6. EMPLOYMENT GENERATED BY THE BEER SECTOR

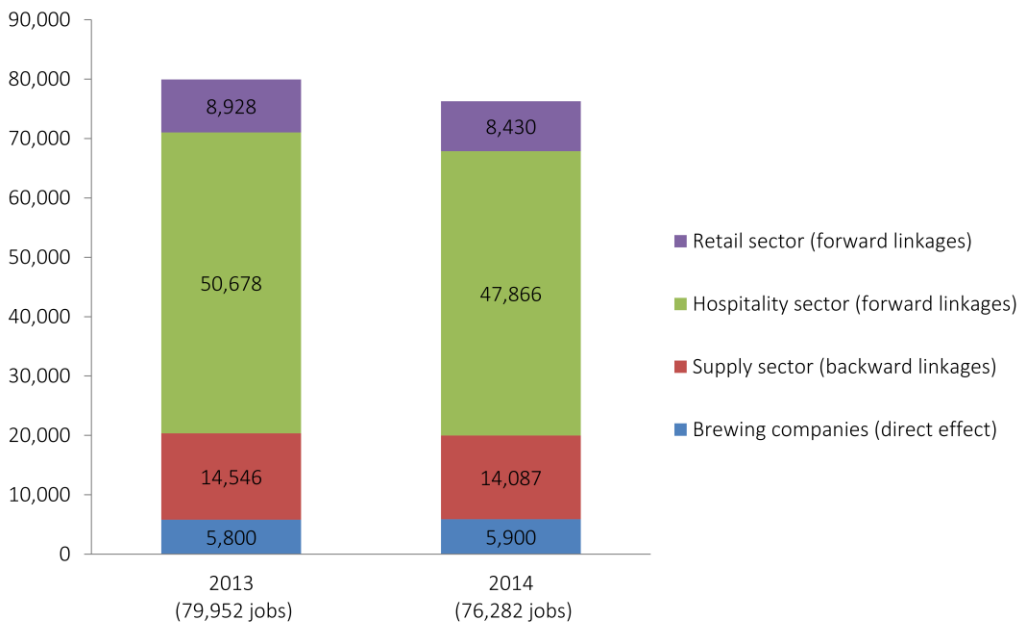
Figure 2: Total employment because of beer in 2014: 76,282 jobs



Source: Calculations - different sources.

The beer-related contribution to employment in the Czech Republic was around 76,000 in 2014, which represented a moderate fall from 2013. The largest share of that overall employment impact occurred in the hospitality sector, which accounted for 63% of the total. Employment declined from 2013 to 2014 in all of the segments except the brewing sector itself.

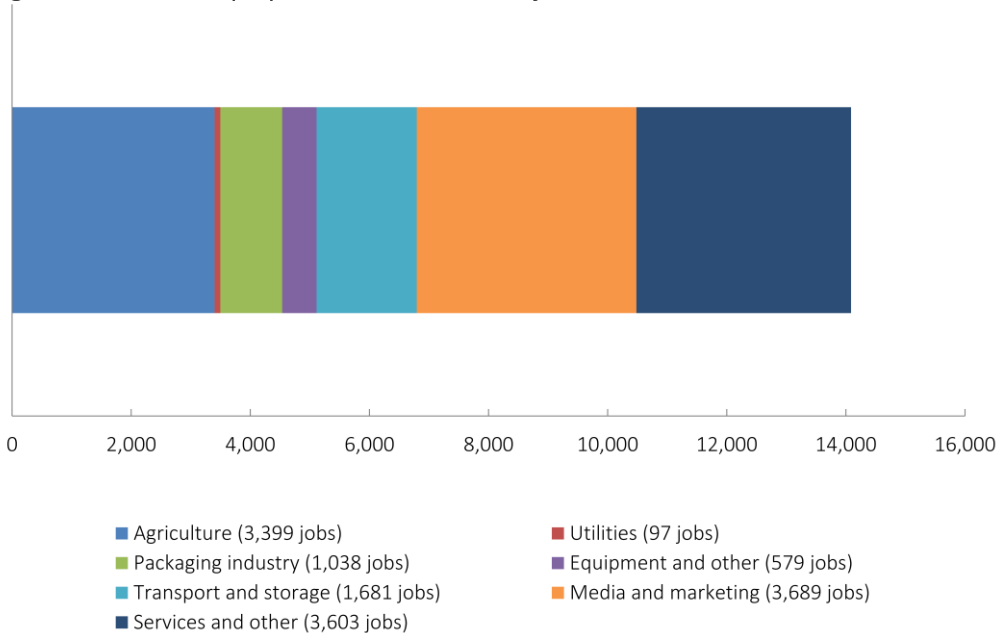
Figure 3: Change in employment (2013-2014): -4.6 %



Source: Calculations - different sources.

The largest contributions to employment occurred in the service sectors, media and marketing and other services. However, there was also a large contribution to employment in the labour-intensive agriculture sector.

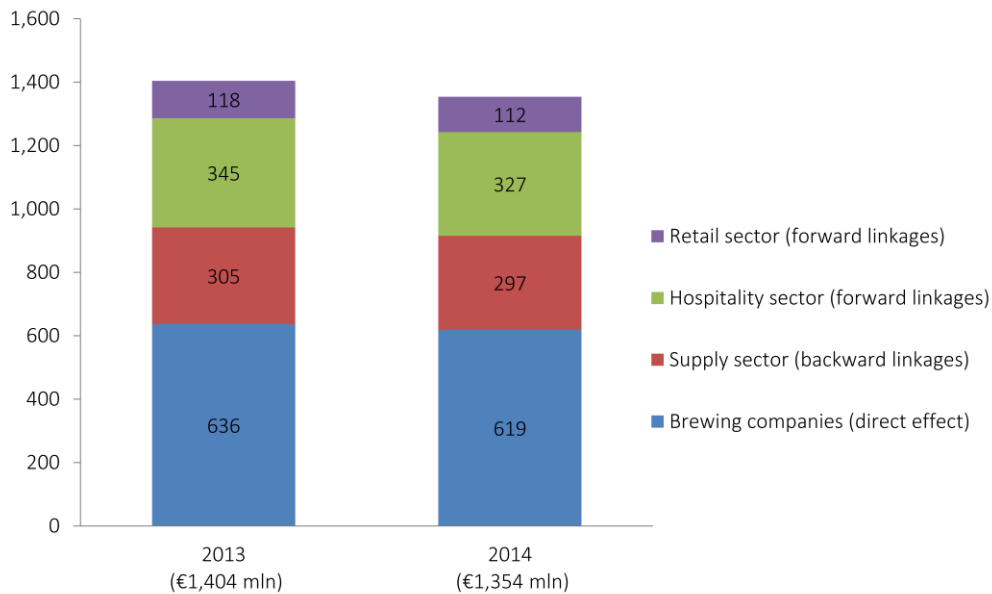
Figure 4: Indirect employment in 2014: 14,087 jobs



Source: Calculations - different sources.

## 7. VALUE ADDED GENERATED BY THE BEER SECTOR

Figure 5: Change in value added (2013-2014): -3.6 %

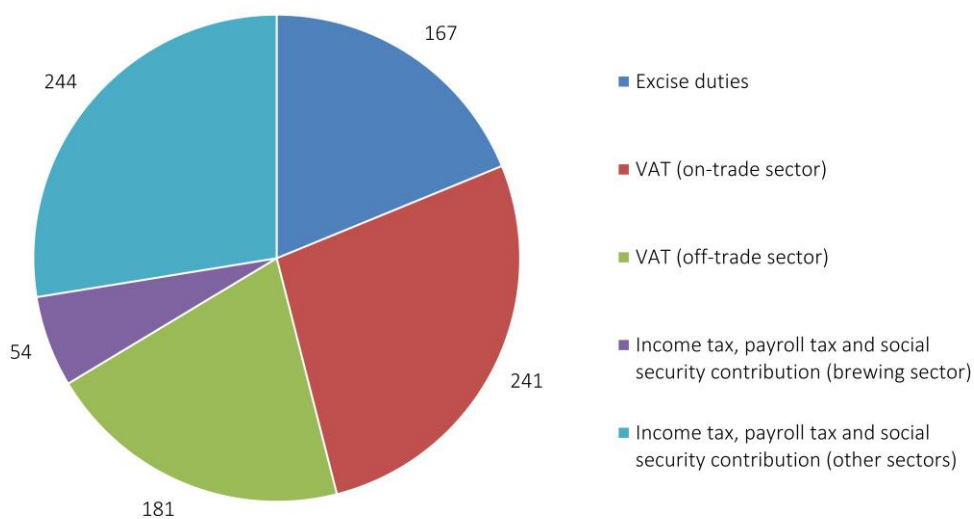


Source: Calculations - different sources.

The largest share of the beer-related contribution to value added occurred in the brewing sector itself (around €620 billion), reflecting a high ratio of value added to employment relative to the wider Czech economy.

## 8. GOVERNMENT REVENUES RELATED TO BEER

Figure 6: Government revenues generated by beer in 2014: 887 million Euro



Source: Calculations - different sources.

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

	2013	2014	% Change
Excise duties (million Euro)	179	167	-6.8 %
VAT (on-trade) (million Euro)	254	241	-5.2 %
VAT (off-trade) (million Euro)	190	181	-5.2 %
Income tax, payroll tax and social security revenues (brewing companies) (million Euro)	49	54	10 %
Income tax, payroll tax and social security revenues (other sectors) (million Euro)	256	244	-4.4 %
<b>Total government revenues (million Euro)</b>	<b>928</b>	<b>887</b>	<b>-4.5 %</b>

Source: Calculations - different sources.

Note: Excise duty percentage is calculated on the basis of local currency converted to Euro, as used in the European Commission's (DG Taxud) database. For percentage change in local currency, please consult the same database.

The largest share in the nearly €890 million beer-related contribution to government revenues was accounted for by VAT in the on-trade, where prices are higher and therefore the amount taken in VAT also tends to be higher. Revenues have generally declined, except for income taxes in the brewing sector itself.



The Brewers of Europe

Rue Caroly 23 - 25  
1050 Brussels - Belgium

T + 32 (0)2 551 18 10  
F + 32 (0)2 660 94 02

[www.brewersofeurope.org](http://www.brewersofeurope.org)  
[info@brewersofeurope.org](mailto:info@brewersofeurope.org)

© Published January 2016

