



The Contribution made by Beer to the European Economy

 Finland - January 2016

FINLAND

1. COUNTRY PROFILE

	2014
Population	5,450,769
Currency	Euro
GDP per capita in PPS (2012, EU28 = 100)	110

Source: Eurostat and National Statistical offices.

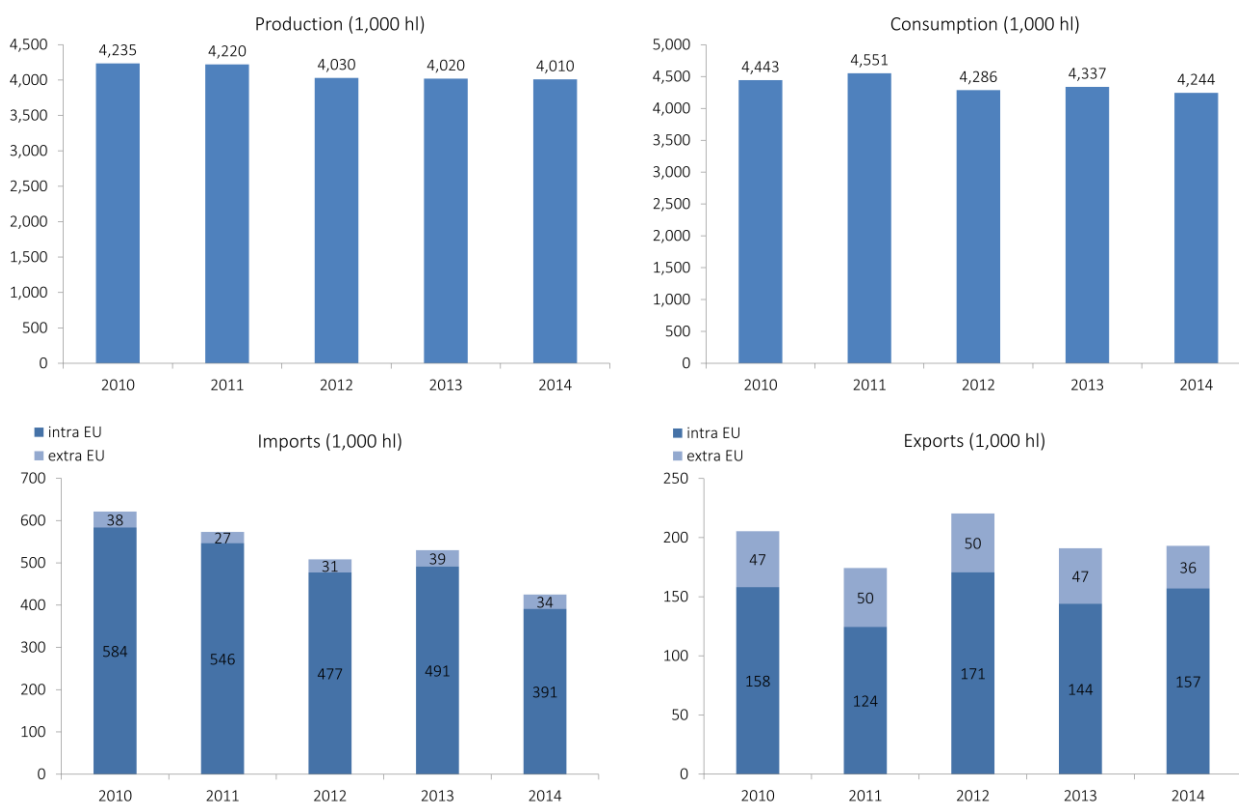
2. HIGHLIGHTS FINLAND

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

	2013	2014	% Change
Total number of jobs	15,070	14,693	-2.5 %
Value-added (million Euro)	703	701	-0.3 %
Government revenues (million Euro)	1,201	1,229	2.3 %

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 Finland brewing sector (2013-2014)

	2013	2014
Total production (in hectolitres)	4,020,000	4,010,000
Brewing companies	43	49
Breweries (including microbreweries)	41	49
Microbreweries	22	25

Source: National Associations.

Total production was broadly stable from 2013 to 2014, while the number of brewing companies and breweries increased in 2014 with respect to the previous years.

4. BEER MARKET

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

	2013	2014
Total consumption in hectolitres	4,337,000	4,244,000
Total consumer spending (in million Euro)	2,349	2,326
Consumption of beer per capita (in litres)	80.0	78.0
Beer consumption on-trade (hospitality)	15%	15%
Beer consumption off-trade (retail)	85%	85%
Average consumer price in on-trade (1 litre, including taxes) (in Euro)	12.64	12.80
Average consumer price in off-trade (1 litre, including taxes) (in Euro)	4.14	4.19

Source: National Associations.

Note: Average consumer prices for 2014 have been calculated using 2013 prices and the national average inflation rate for 2014.

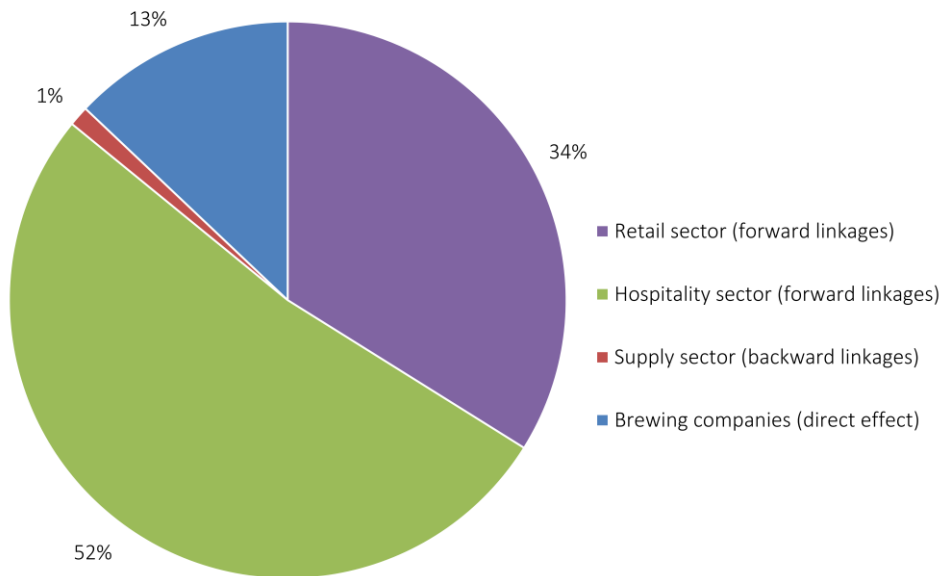
Consumption and consumer spending declined somewhat in 2014, while prices rose. The shares of consumption accounted for by the on- and off-trades remained stable.

5. TRENDS AND DEVELOPMENTS

There has been a longer-term 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. The number of microbreweries is increasing and craft beer consumption is increasing. Consumers travelling are responding to rising taxes with increased private imports (often taking advantage of the duty differential between Finland and Estonia). Firms are responding by expanding their part in the craft beer segment and increasing efficiency in production and the supply chain.

6. EMPLOYMENT GENERATED BY THE BEER SECTOR

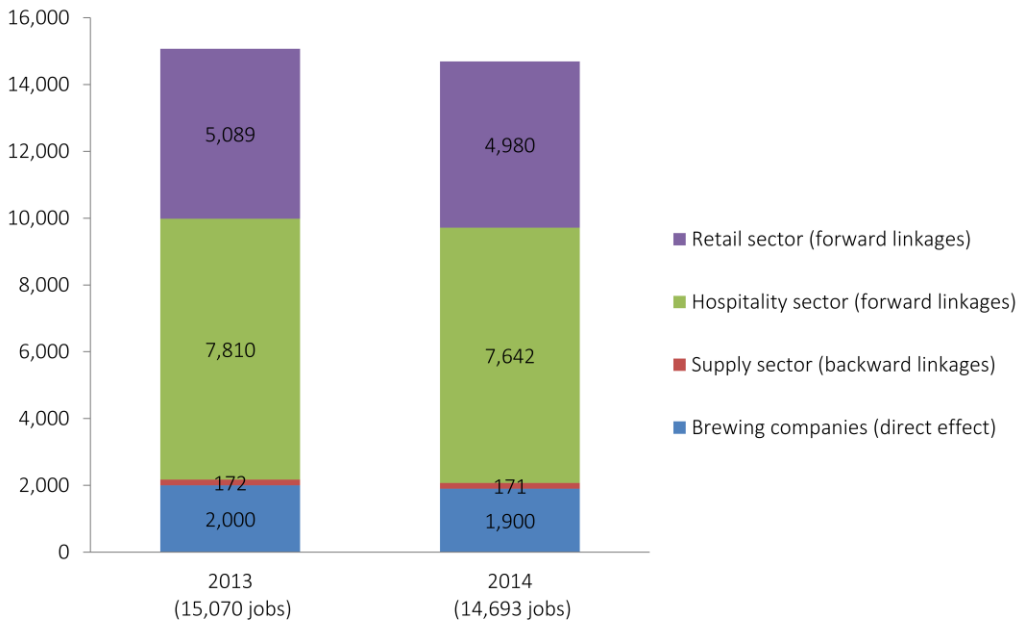
Figure 2: Total employment because of beer in 2014: 14,693 jobs



Source: Calculations - different sources.

Total employment generated by the beer industry was nearly around 15,000 in 2014, a small fall from 2013. The hospitality sector accounts for over half of the beer-related contribution to employment.

Figure 3: Change in employment (2013-2014): -2.5 %



Source: Calculations - different sources.

The contribution of supply sectors is small, reflecting relatively low reported spending on external purchases by the breweries. The supply sector contribution to employment is concentrated in the agriculture sector, accounting for around 80 jobs.

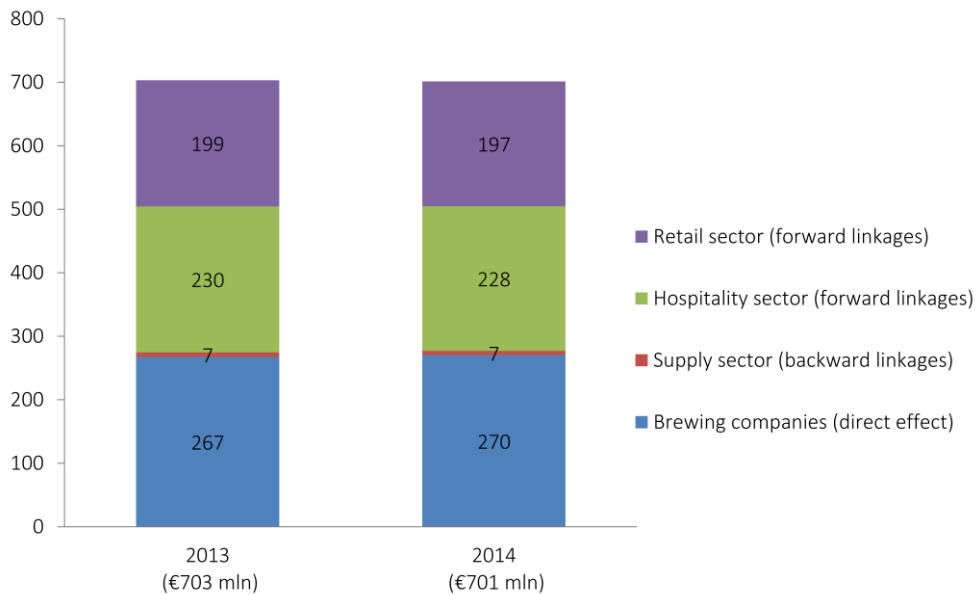
Figure 4: Indirect employment in 2014: 171 jobs



Source: Calculations - different sources.

7. VALUE ADDED GENERATED BY THE BEER SECTOR

Figure 5: Change in value added (2013-2014): -0.3 %

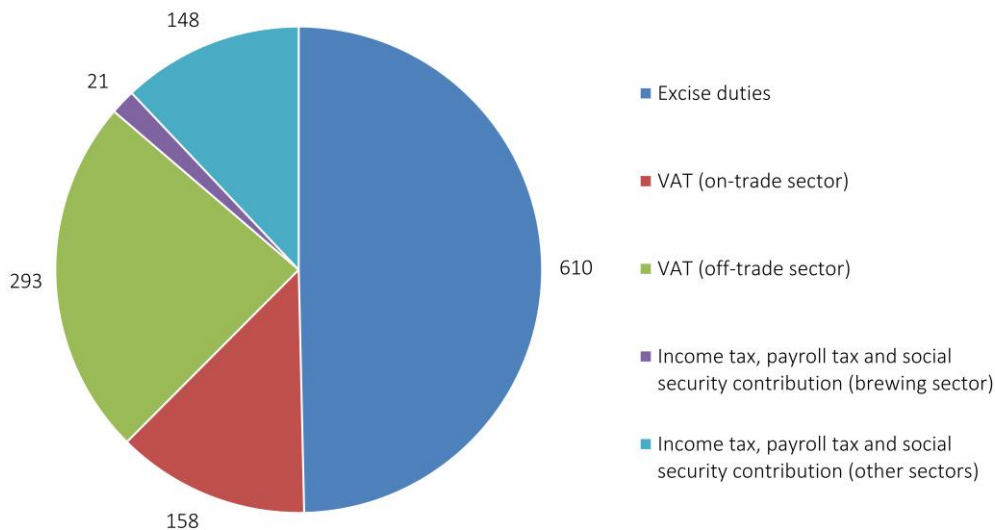


Source: Calculations - different sources.

The beer-related contribution to value added has slightly decreased from €703 million in 2013 to €701 million in 2014 and this €2 million reduction was entirely a result of a decline in the retail sector.

8. GOVERNMENT REVENUES RELATED TO BEER

Figure 6: Government revenues generated by beer in 2014: 1,229 million Euro



Source: Calculations - different sources.

Table 4: Government revenues (2013-2014)

	2013	2014	% Change
Excise duties (million Euro)	575	610	6.1 %
VAT (on-trade) (million Euro)	159	158	-1 %
VAT (off-trade) (million Euro)	295	293	-1 %
Income tax, payroll tax and social security revenues (brewing companies) (million Euro)	22	21	-7.8 %
Income tax, payroll tax and social security revenues (other sectors) (million Euro)	149	148	-0.9 %
Total government revenues (million Euro)	1,201	1,229	2.3 %

Source: Calculations - different sources.

The total beer-related contribution to government revenues rose by around €30 million from 2013 to 2014. The largest share in the total is excise duties, reflecting the very high excise duty rates levied in Finland, which will also increase the VAT liability (particularly in the off-trade).

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