

# ***The Contribution made by Beer to the European Economy***

 Austria - March 2020

# Austria

## 1 | Country profile

Table 1. Country profile

	2018
Population	8,822,267
Currency	Euro
GDP per capita in PPS (2012, EU28 = 100)	127

Source: Eurostat and National Statistical offices.

## 2 | Highlights Austria

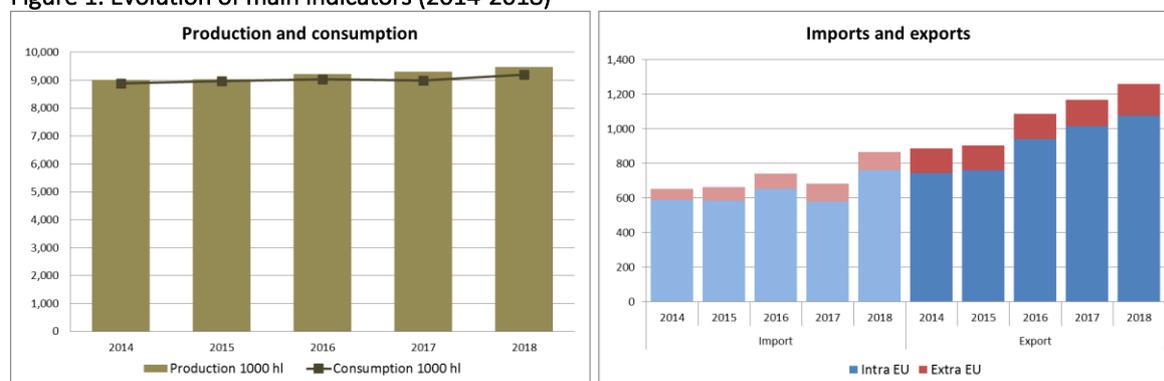
Table 2. Economic impact summary (and % change over the period)

		2015	2016	2017	2018
Total number of jobs	[0.1%]	51,363	51,075	50,142	51,436
Value-added (mEuro)	[9.2%]	1,505	1,570	1,614	1,643
Government revenues (mEuro)	[6.8%]	1,125	1,164	1,161	1,201

Source: Calculations - different sources.

Austria's main indicators show a close relationship between production and consumption, with both variables steady increasing in recent years. The importance of the beer sector in this country can be related to the evolution of its exports, having experienced a significant increase in 2016.

Figure 1. Evolution of main indicators (2014-2018)



Source: National associations.

### 3 | A snapshot of the brewing sector

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Total production has been around 9 million hectolitres in the last four years, with an increase of close to half a billion between 2015 and 2018.

The number of breweries and brewing companies has increased considerably, and it is just under 300 in 2018. Microbreweries represent almost half of the total companies, their number has continued to rise, peaking at 129 in 2017.

**Table 3. Basic characteristics of the beer sector (2015-2018)**

	2015	2016	2017	2018
Total production (in hectolitres)	9,023,000	9,227,000	9,312,000	9,472,000
Brewing companies	205	225	263	288
Breweries (including microbreweries)	214	235	273	298
Microbreweries	114	123	129	126

Source: National Associations.

### 4 | Looking at the beer market

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Consumption of beer has risen in step with increased prices in both the retail and hospitality sectors, contributing to an increase in total consumer spending on beer. Meanwhile, consumption of beer per capita in Austria is among the highest in the world and has remained at its level of above 100 litres over the period.

**Table 4. Basic characteristics of the beer market (2015-2018)**

	2015	2016	2017	2018
Total consumption in hectolitres	8,977,000	9,030,000	8,984,000	9,190,316
Total consumer spending (in million Euro)	2,881	3,022	3,058	3,178
Consumption of beer per capita (in litres)	107	106	105	107
Beer consumption hospitality	28%	29%	28%	28%
Beer consumption retail	72%	71%	72%	72%
Consumer price hospitality (€ / litre)*	7.04	7.28	7.58	7.72
Consumer price retail (€ / litre)*	1.72	1.74	1.78	1.80

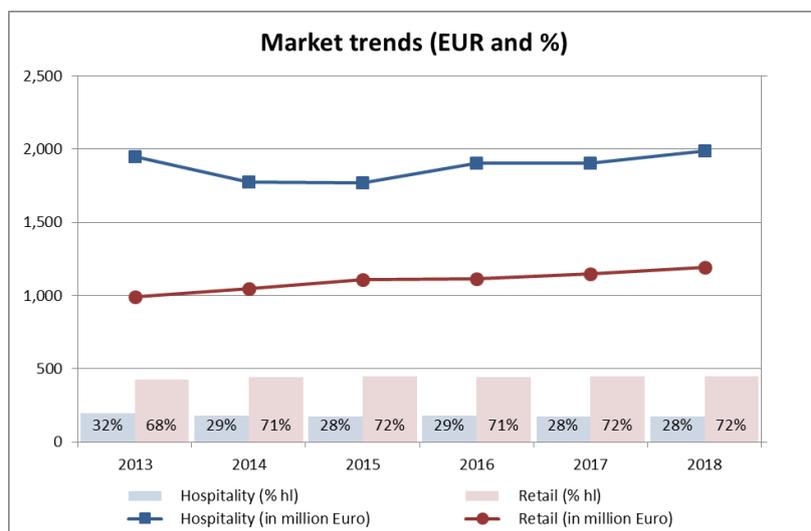
Note: \* Prices are averages inclusive of taxes and duties.

Source: National Associations.

## 5 Trends and developments

The increase in the consumption of beer is taking place in both the retail and hospitality sectors as people continue to enjoy beer in pubs and restaurants. The proportion of beer consumed at the homes is a lot larger than that consumed in the hospitality sectors, at a remarkable split of around 70-30 per cent. Following general European trends, the share of total beer volume (hectolitres) in the hospitality sector has been declining in recent years.

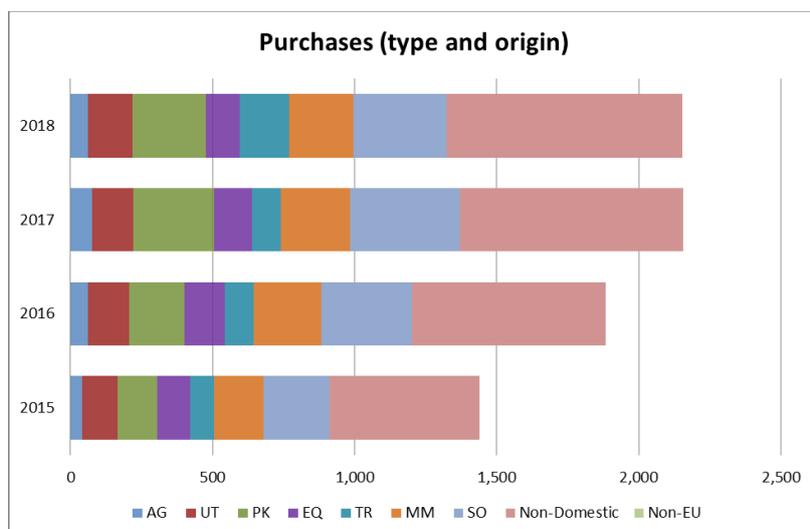
**Figure 1.3: Recent consumption trends (2013-2018)**



Austrian breweries continue to support their agriculture and utility sectors, purchasing these products mainly from within the country and the EU. Similarly, to other European countries, very little (if any) purchases are sourced from outside the EU.

Breweries in Austria are also supporting the EU's targets for transitioning to cleaner sources of energy. Brewers have made promising strides in cutting the amount of plastics in packaging, reducing CO<sup>2</sup> emissions in the production of beer, and some have ambitions to reduce greenhouse gas emissions by 40% until 2030 in their purchases of transportation and storage.

**Figure 1.3: Importance up the chain**

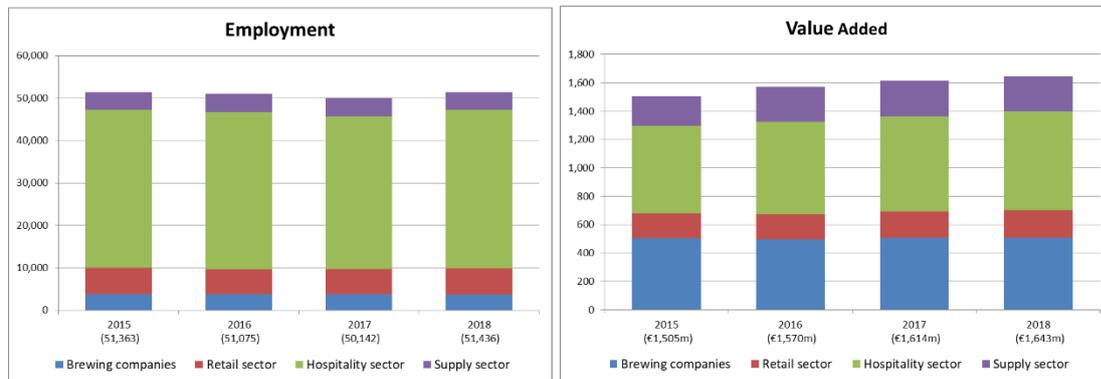


Note: AG – Agriculture; UT – Utilities; PK – Packaging; EQ – Equipment; TR – Transport; MM – Media / marketing; SO – Other services.

## 6 | The impacts beyond the sector: related jobs and value added

In 2018, jobs related to beer in Austria numbered more than 51,000. As in many other countries, the hospitality sector accounts for the majority of these jobs, but it does not vastly outpace the brewing companies in terms of value added. This is testament to the significant value created by Austrian breweries. In total, Austrian breweries created €1,640m in added value in 2018, increasing from €1,505 in 2015.

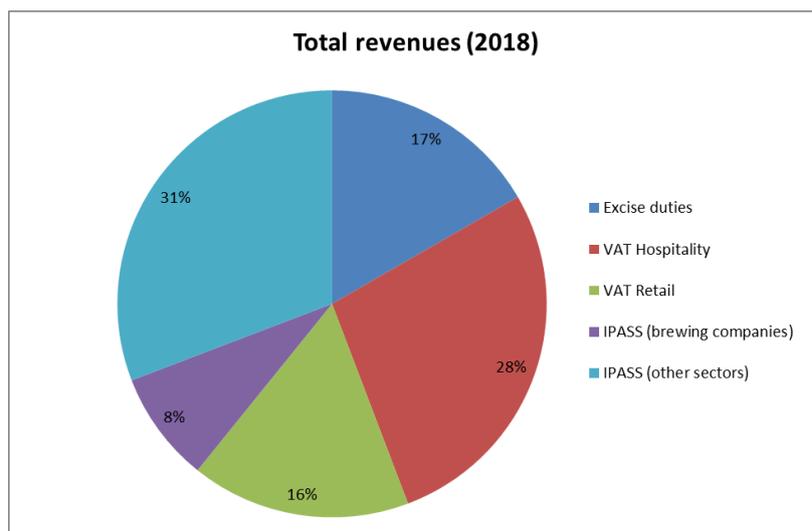
**Figure 1.3: Change in employment and value added (2015-2018).**



## 7 | Government revenues related to beer

In contrast to many other countries in Europe, the contribution made by beer is relatively evenly split between excise duties, VAT in hospitality and retail, and IPASS collected in sectors upstream in the beer supply chain. The large proportion of VAT revenue collected from the hospitality sector reflects the continued importance of the sale of beer in pubs and restaurants for fiscal balances, as well as for the merriment of patrons.

**Figure 1.6: Government revenues generated by beer in 2018**



The beer sector contributes to more than one billion Euros to government revenues. A figure that encompasses all direct and indirect tax revenues associated with the production and distribution and sale of beer. The figure has remained broadly constant in recent years.

**Table 5. Government revenues, mEuro (2015-2018)**

	2015	2016	2017	2018
Excise duties	189	196	192	200
VAT Hospitality	295	318	318	331
VAT Retail	185	186	192	199
IPASS (brewing companies)	108	109	101	101
IPASS (other sectors)	348	355	359	371
<b>Total government revenues</b>	<b>1,125</b>	<b>1,164</b>	<b>1,161</b>	<b>1,201</b>

Source: Calculations - different sources.

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