Austria

1 COUNTRY PROFILE

TABLE 1. COUNTRY PROFILE

	2020	2022
Population	8,901,064	8,978,929
Currency	Euro	Euro
GDP per capita in PPS (2012, EU28 = 100)	125	124

Source: Eurostat and National Statistical offices.

2 HIGHLIGHTS AUSTRIA

TABLE 2. SUMMARY OF BEER SECTOR'S ECONOMIC IMPACT (AND % CHANGE OVER THE PERIOD 2016-2022)

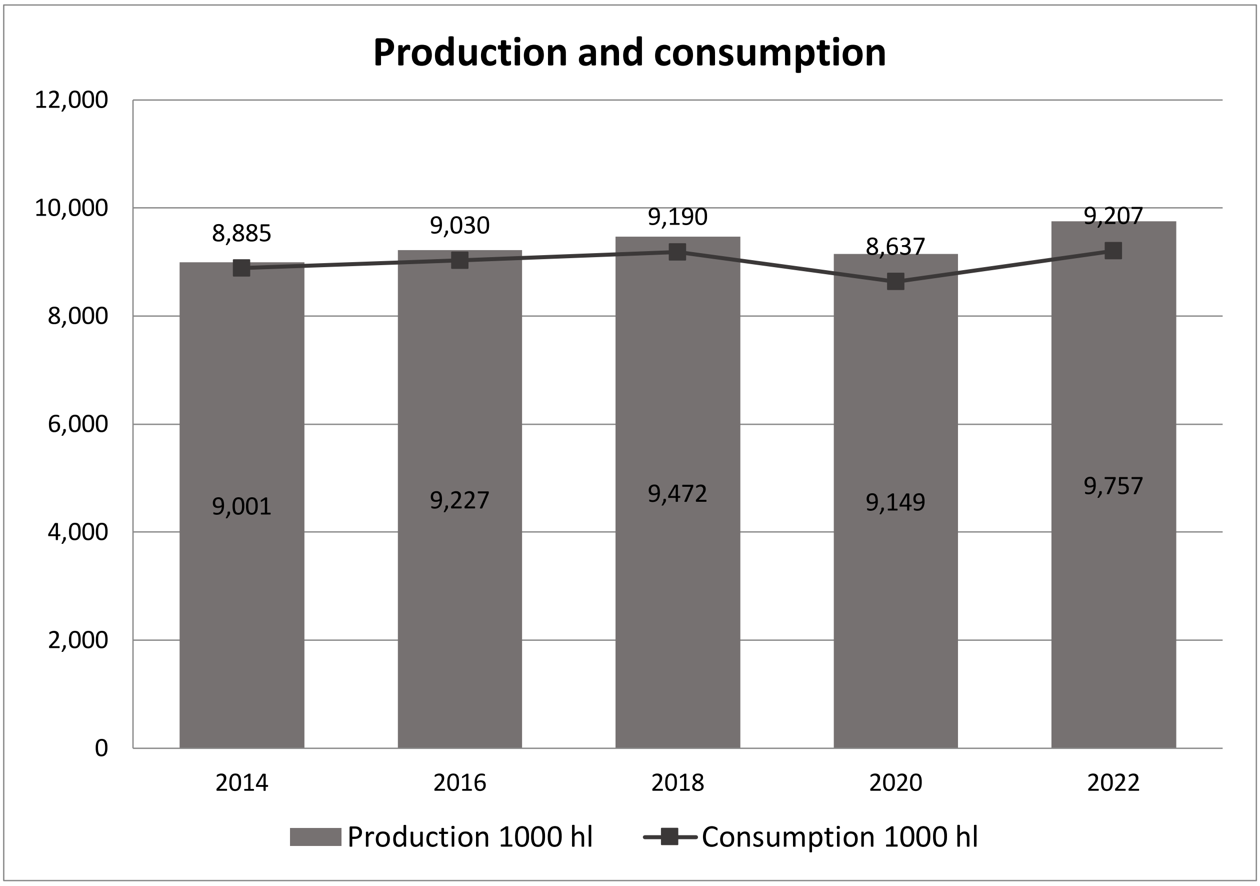
		2016	2018	2020	2022
Total number of jobs	[7.7%]	51,075	50,783	38,300	55,001
Value-added (mEuro)	[14.9%]	1,570	1,675	1,425	1,804
Government revenues (mEuro)	[15.2%]	1,164	1,201	1,022	1,341

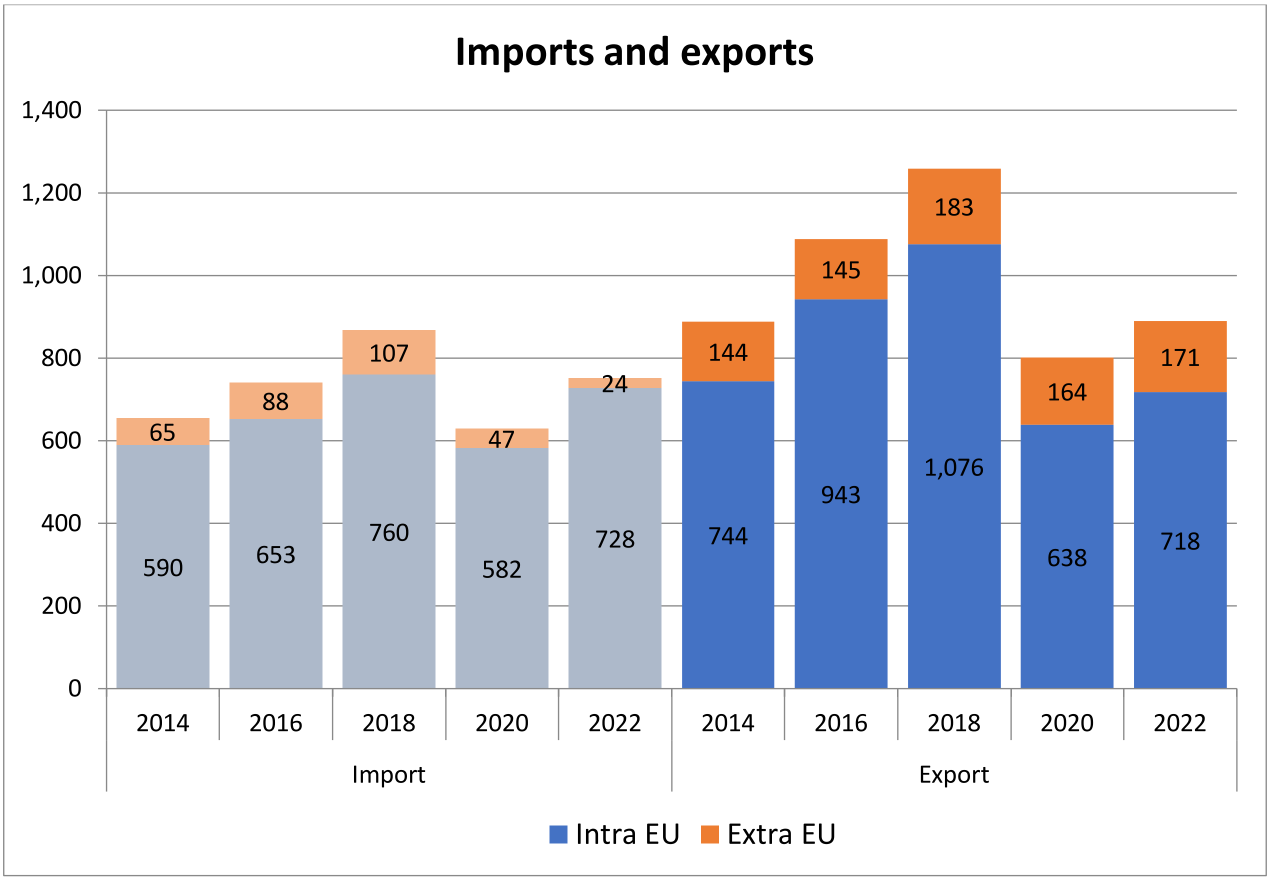
Source: Calculations - different sources.

Beer production and consumption in Austria have both remained relatively stable over recent years. In 2022, production reached 9.8 million hectolitres, while consumption was 9.2 million hectolitres. The importance of the beer sector in Austria is also evident from its export activities, which saw a peak in 2018. Although imports have slightly decreased since 2018, domestic production has managed to keep pace with consumption, ensuring a steady supply for the local market. This stability highlights the robustness of Austria's beer industry amidst fluctuating import and export dynamics.

Despite the stability of overall production and consumption, jobs, value added and government revenues attributable to the beer sector saw notable declines in 2020. This was, however, temporary, with greater than even pre-pandemic levels observed by 2022, a remarkable recovery by the Austrian beer industry from a significant shock within two years.

FIGURE 1. EVOLUTION OF MAIN INDICATORS (2014-2022)





Source: National Associations.

3 A SNAPSHOT OF THE BREWING SECTOR

Total beer production in Austria has remained around 9 million hectolitres over the last few years, with an increase to 9.8 million hectolitres in 2022. The number of brewing companies has increased significantly, reaching 337 in 2022. This includes 349 breweries, with microbreweries representing a substantial portion, rising to 130 in 2022. The growing number of breweries highlights the expansion and diversification within Austria's beer industry, reflecting a robust and dynamic sector.

TABLE 3. BASIC CHARACTERISTICS OF THE BEER SECTOR (2016-2022)

	2016	2018	2020	2022
Total production (in hectolitres)	9,227,000	9,472,000	9,149,000	9,757,000
Brewing companies	225	288	297	337
Breweries (including microbreweries)	235	298	309	349
Microbreweries	123	126	118	130

Source: National Associations.

4 LOOKING AT THE BEER MARKET

Consumption of beer in Austria has risen alongside increased prices in both the retail and hospitality sectors, contributing to a significant rise in total consumer spending on beer, which reached €3,677 million in 2022. Despite fluctuations, the consumption of beer per capita has remained high, consistently above 100 litres per year, making it one of the highest in the world. The share of beer consumed in hospitality venues dropped to 17 per cent in 2020, likely due to the pandemic, but recovered to 24 per cent in 2022. Per capita consumption of beer remains the second highest in Europe, even after a slight decline in recent years.

TABLE 4. BASIC CHARACTERISTICS OF THE BEER MARKET (2016-2022)

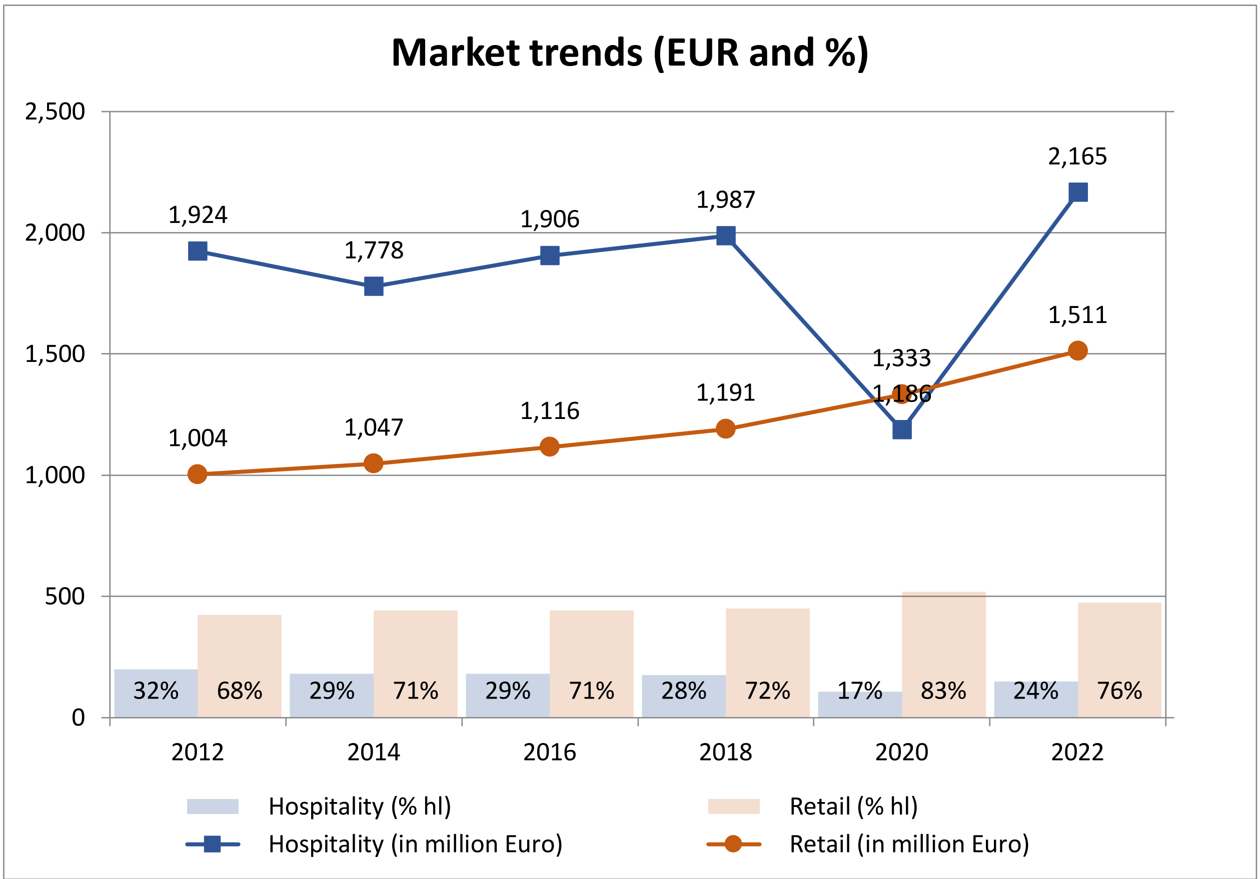
	2016	2018	2020	2022
Total consumption in hectolitres	9,030,000	9,190,000	8,637,000	9,207,000
Total consumer spending (in million Euro)	3,022	3,178	2,520	3,677
Consumption of beer per capita (in litres)	106	107	100	102
Beer consumption hospitality	29%	28%	17%	24%
Beer consumption retail	71%	72%	83%	76%
Consumer price hospitality (€ / litre)*	7.28	7.72	8.08	9.80
Consumer price retail (€ / litre)*	1.74	1.80	1.86	2.16

*Source: National Associations. Note: * Prices are averages inclusive of taxes and duties.*

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 at home and in hospitality venues. The proportion of beer consumed at home increased significantly during the pandemic, with a notable shift towards retail consumption. Post-pandemic, there has been a partial return to hospitality venues, but the trend towards home consumption remains significant. Both sectors have seen growth in consumption, due to the increasing prices in both sectors, alongside an increase in the volume of consumption.

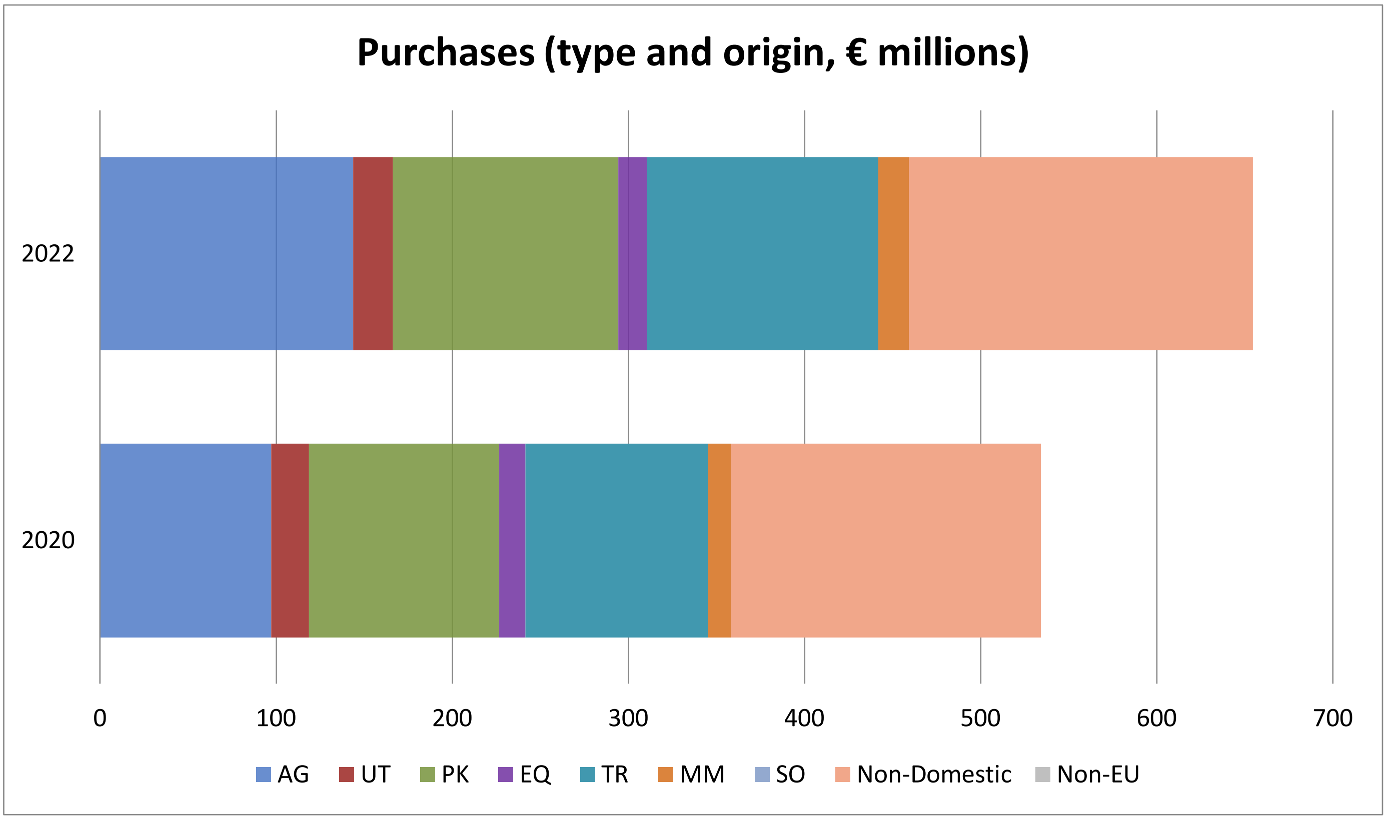
FIGURE 2: RECENT CONSUMPTION TRENDS (2012-2022)



Source: National Associations.

Austrian breweries continue to support their agriculture and utility sectors, purchasing these products mainly from within the country and the EU. Similar to other European countries, very few (if any) purchases are sourced from outside the EU. The majority of domestic purchases are focused on the agriculture, packaging and transport sectors. 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_2 emissions in the production of beer, and some have ambitions to reduce greenhouse gas emissions by 40 per cent until 2030 in their purchases of transportation and storage.

FIGURE 3: SPLIT OF BEER SECTOR'S SUPPLY CHAIN PURCHASES



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

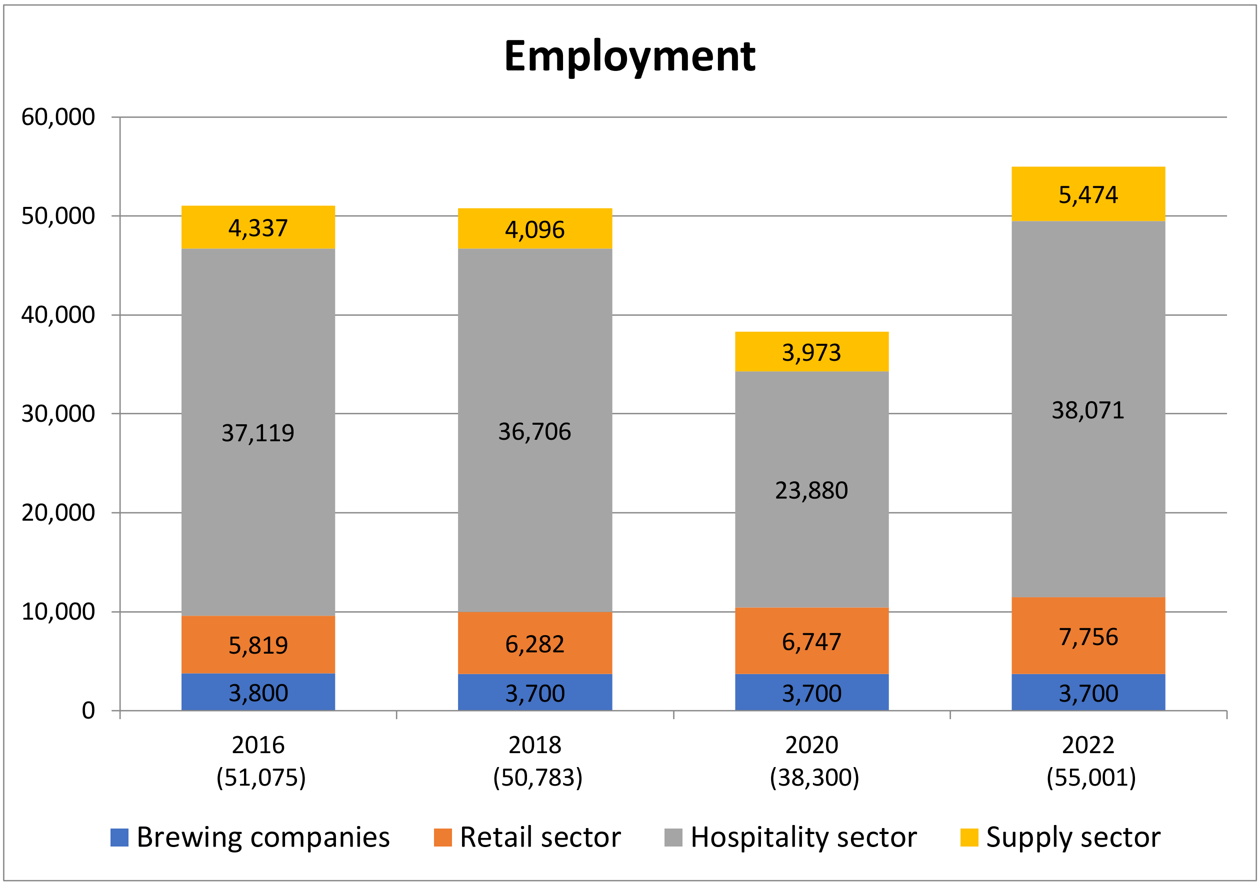
Source: Calculations based on data from Eurostat, and the Individual Brewers Questionnaire.

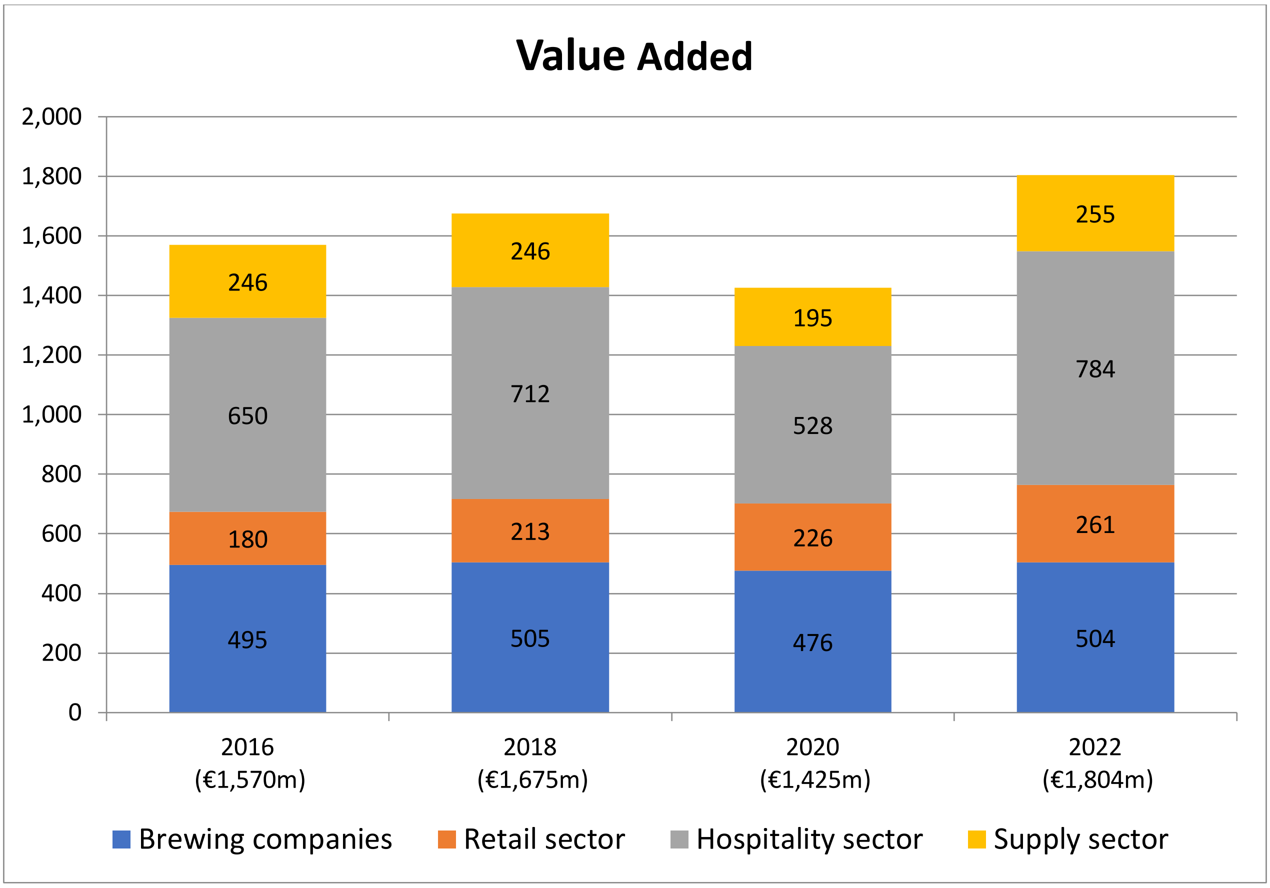
6 THE IMPACTS BEYOND THE SECTOR: RELATED JOBS AND VALUE ADDED

In 2022, jobs related to beer in Austria numbered about 55,000, reflecting the sector's recovery and growth from the pandemic. It was specifically the hospitality sector which was most affected, seeing a 35 per cent fall in jobs between 2018 and 2020. However, the jobs numbers have recovered quickly, surpassing 2018 levels by 2022. This job growth occurred alongside growth in the retail and supply sectors, leading to overall job creation relative to pre-pandemic levels.

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. In total, Austrian breweries created €504 million in added value in 2022, up from €476 million in 2020. The hospitality sector created €784 million in value added in 2022, bouncing back from 2020 where they created €528 million in value added.

FIGURE 4: CHANGE IN EMPLOYMENT AND VALUE ADDED (2016-2022).





Note: The figures in the employment chart are to be considered as estimates.

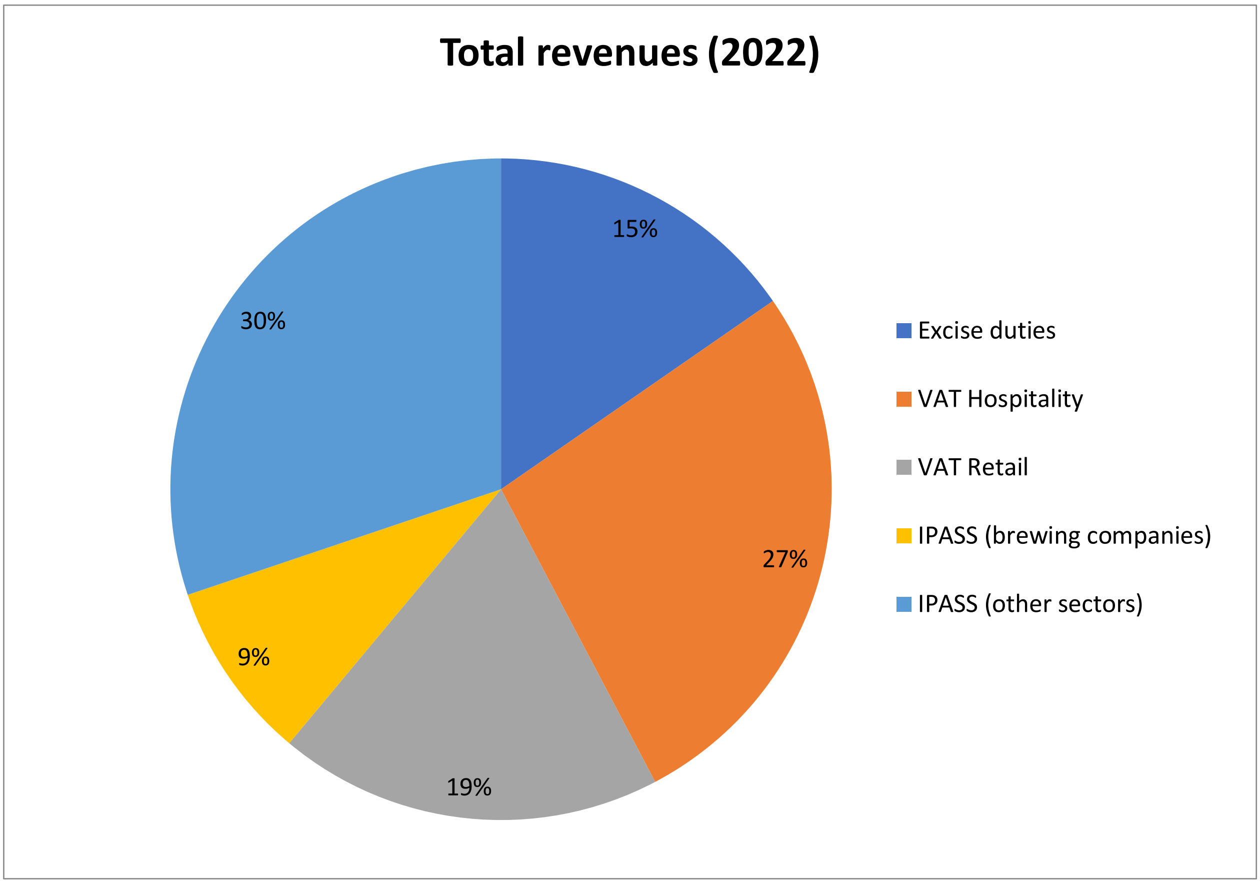
Source: Calculations based on data from Eurostat, National Associations, and the Individual Brewers Questionnaire.

The employment in the supply sector can be broken down using the estimates from the responses to the survey to brewers. These imply a job breakdown of: 3497 jobs in agriculture, 654 jobs in packaging, 1042 jobs in transport, 160 jobs in media and marketing (the remaining corresponding to utilities, equipment, other).

7 GOVERNMENT REVENUES RELATED TO BEER

The contribution to government revenues made by beer comes largely from VAT in hospitality, and income payroll and social security (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 5: GOVERNMENT REVENUES RELATED TO THE PRODUCTION AND SALE OF BEER IN 2022: (PER CENT)



Note: IPASS - Income, payroll tax and social security

Source: Calculations based on data from Eurostat, and the National Associations.

The beer sector has contributed more than one billion Euros to government revenues in Austria each year from 2016 to 2022, encompassing all direct and indirect tax revenues associated with the production, distribution, and sale of beer. This figure has shown a notable increase in recent years, rising from €1,164 million in 2016 to €1,405 million in 2022. This growth is driven by increased excise duties, VAT from both hospitality and retail sectors, and income, payroll, and social security contributions from brewing companies and other related sectors.

TABLE 5. GOVERNMENT REVENUES, €M (2016-2022)

	2016	2018	2020	2022
Excise duties	196	200	194	206
VAT Hospitality	318	331	198	361
VAT Retail	186	199	222	252
IPASS (brewing companies)	109	101	105	117
IPASS (other sectors)	355	371	304	405
Total government revenues	**1,164**	**1,201**	**1,022**	**1,341**

Note: IPASS - Income, payroll tax and social security

Source: Calculations - different sources.