Belgium

1 COUNTRY PROFILE

TABLE 1. COUNTRY PROFILE

	2020	2022
Population	11,522,440	11,617,623
Currency	Euro	Euro
GDP per capita in PPS (2012, EU28 = 100)	118	120

Source: Eurostat and National Statistical offices.

2 HIGHLIGHTS BELGIUM

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

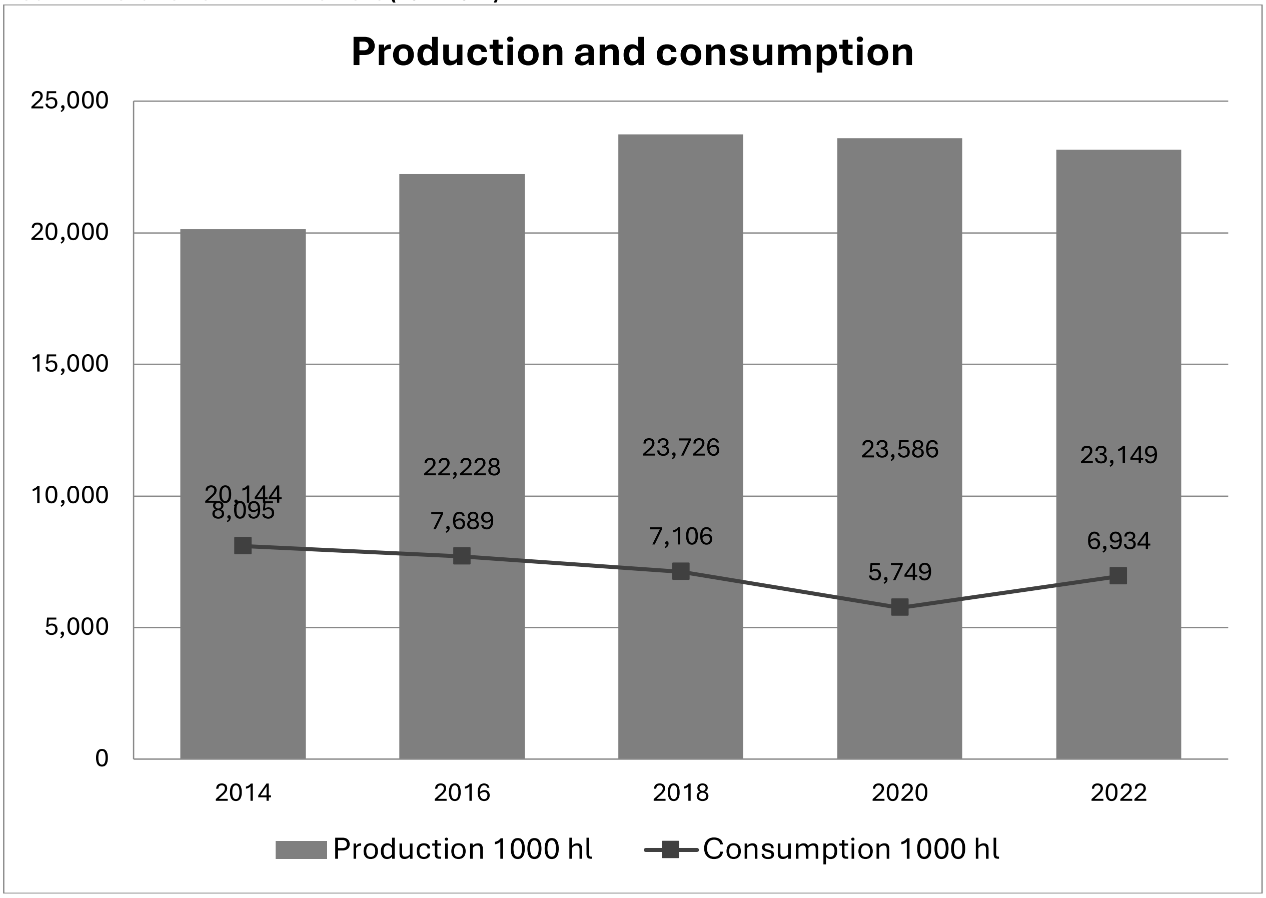
		2016	2018	2020	2022
Total number of jobs	[-7.6%]	45,686	45,478	37,000	42,201
Value-added (mEuro)	[12.9%]	2,419	3,075	2,098	2,732
Government revenues (mEuro)	[2.5%]	1,387	1,321	1,000	1,421

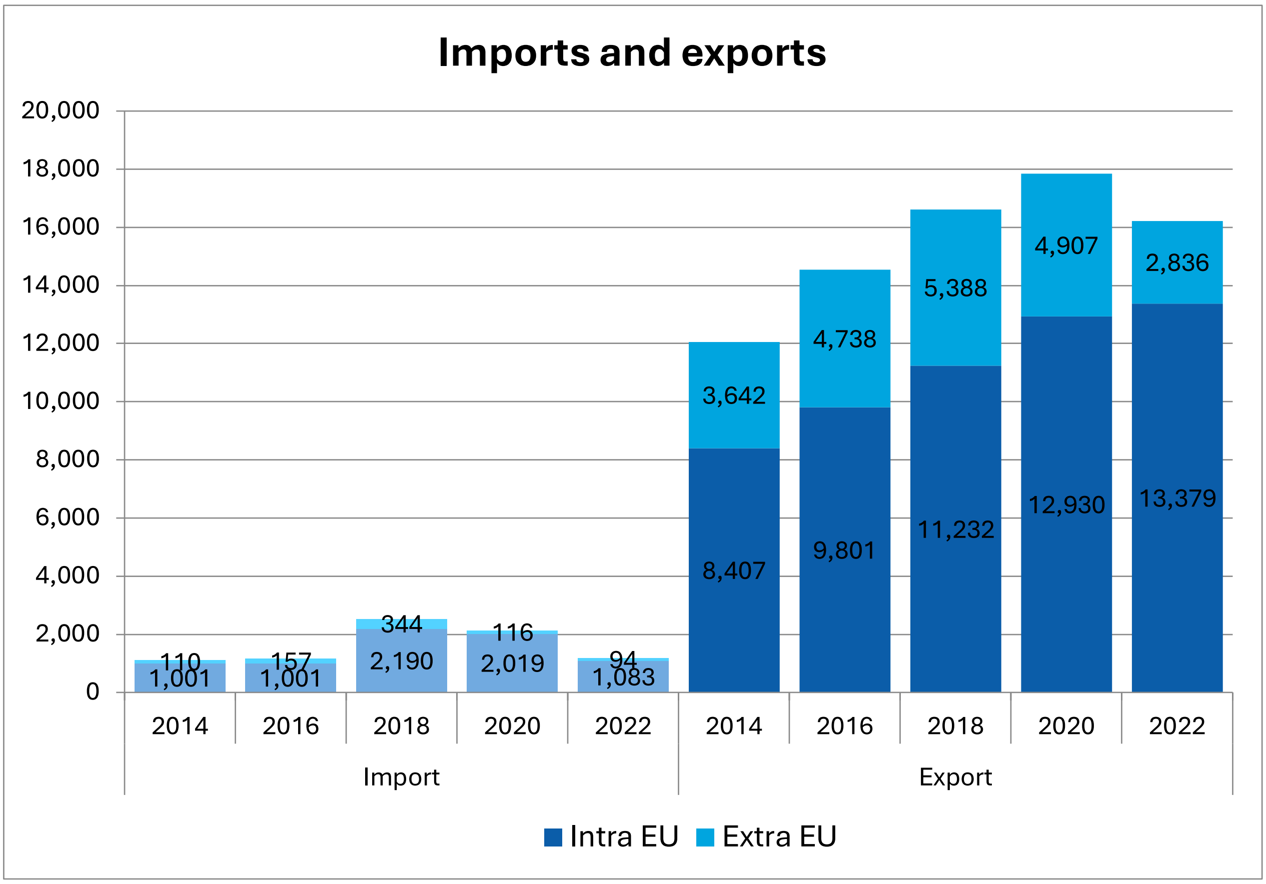
Source: Calculations - different sources.

Belgium's beer production was over 23 million hectolitres in 2022. From 2014 to 2022, there has been a gradual decline in domestic consumption. In 2020, the industry saw a temporary sharp fall in domestic consumption, likely due to the effects of pandemic lockdown rules, with a recovery to the initial trend in 2022.

Exports of beer to the EU saw strong growth over the period 2014 to 2020, achieving overall export growth up to 2020. A decline in exports from 2020 to 2022 was driven by a contraction among countries outside the EU, an area that had seen prior growth up to 2018. Belgium remains a strong exporter of beer, outperforming its size; in 2022, production of beer were more than three times greater than domestic consumption.

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





Source: National Associations.

3 A SNAPSHOT OF THE BREWING SECTOR

Belgium's production of beer was over 23 million hectolitres in 2022. The number of brewing companies has seen significant growth, rising from 147 in 2016 to 309 in 2022. Similarly, the total number of breweries, including microbreweries, has increased from 224 to 430 during the same period.

Belgian breweries have effectively marketed their beer internationally, with a notable increase in exports. Their national association, Belgian Brewers, highlights that Belgian beer acts as an "international ambassador," promoting the country globally. A significant component of beer exports is to consumers outside the EU, showcasing the global appeal and demand for Belgian beer.[1]

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

	2016	2018	2020	2022
Total production (in hectolitres)	22,228,000	23,726,000	23,586,000	23,149,000
Brewing companies	147	218	270	309
Breweries (including microbreweries)	224	304	379	430
Microbreweries	N/A	N/A	N/A	N/A

Source: National Associations

4 LOOKING AT THE BEER MARKET

In contrast with production, total beer consumption in 2022 has declined across the period, with a particular, but temporary, decline in consumption during the pandemic in 2020. Even with the decline in consumption volume, total consumer spending on beer in 2022 was higher than in 2016 or 2018. This has been driven by an increase in price of beer per litre in both the hospitality and retail sectors, which have seen price rises of 17.4 per cent and 17.6 per cent respectively. Consumption per capita has remained consistent over a six-year period, remaining steady at 68 litres.

[1] https://brewup.eu/national-associations/belgium

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

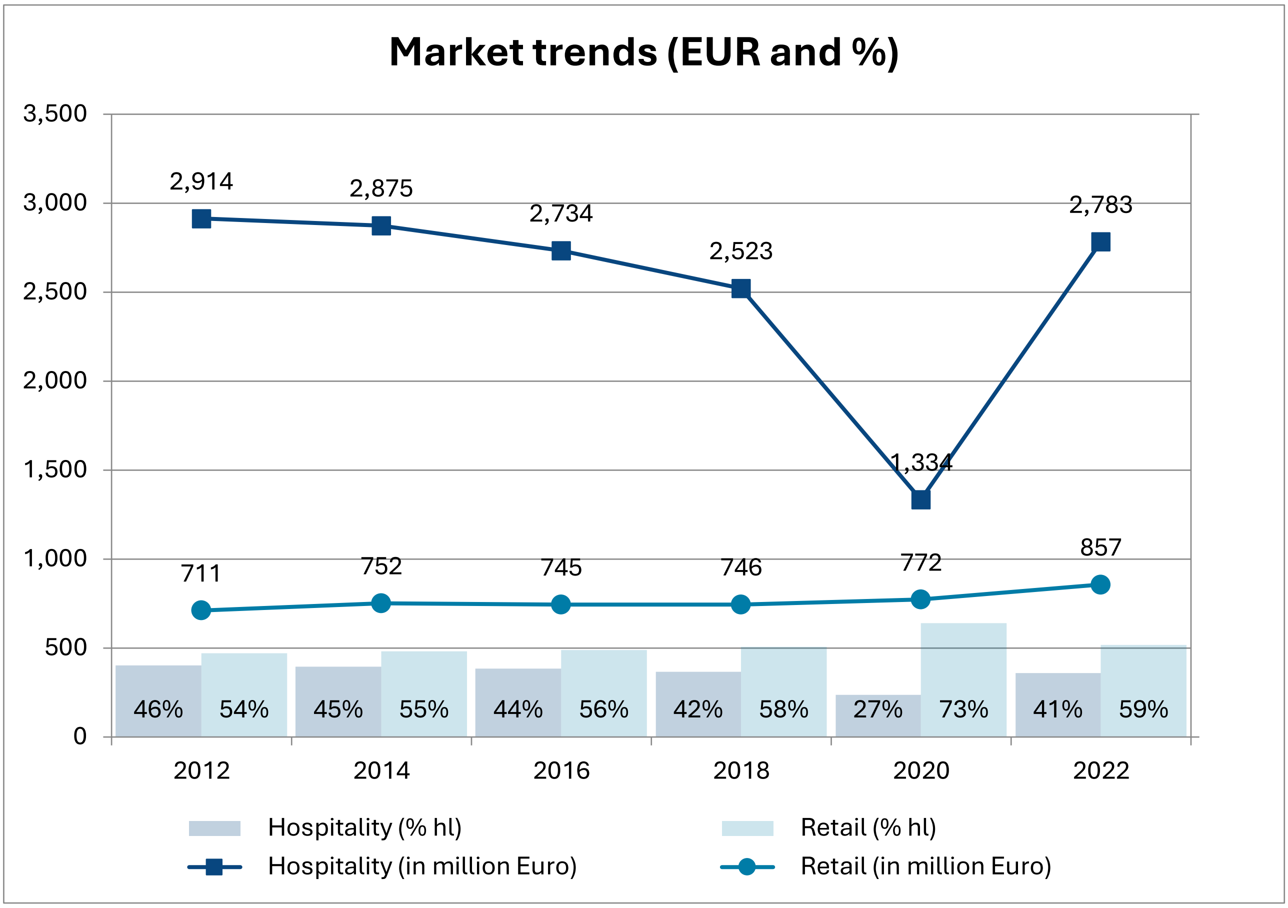
	2016	2018	2020	2022
Total consumption in hectolitres	7,689,000	7,106,000	5,749,000	6,934,000
Total consumer spending (in million Euro)	3,479	3,269	2,106	3,640
Consumption of beer per capita (in litres)	68	65	55	64
Beer consumption hospitality	44%	42%	27%	41%
Beer consumption retail	56%	58%	73%	59%
Consumer price hospitality (€ / litre)*	8.08	8.45	8.60	9.79
Consumer price retail (€ / litre)*	1.73	1.81	1.84	2.10

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

5 TRENDS AND DEVELOPMENTS

Consumption in the hospitality sector has been on a steady decline over a 10-year period, with a large decrease coming in 2020 due to COVID-related struggles. A total of 41 per cent of beer consumption came from bars and restaurants in 2022, with 59 per cent of consumption coming from retail purchases. A possible contributing factor to the decrease in hospitality-based consumption could be the sharp increase in average pricing between hospitality and retail, with the average consumer price per litre in the hospitality sector increasing by €1.71 over the period 2016 to 2022, compared to a €0.37 price increase in the retail consumer price occurring over the same time period. Yet, the total value of the market for beer consumed in the hospitality sector remains over three times as large as the retail beer market, and has recovered well from the pandemic.

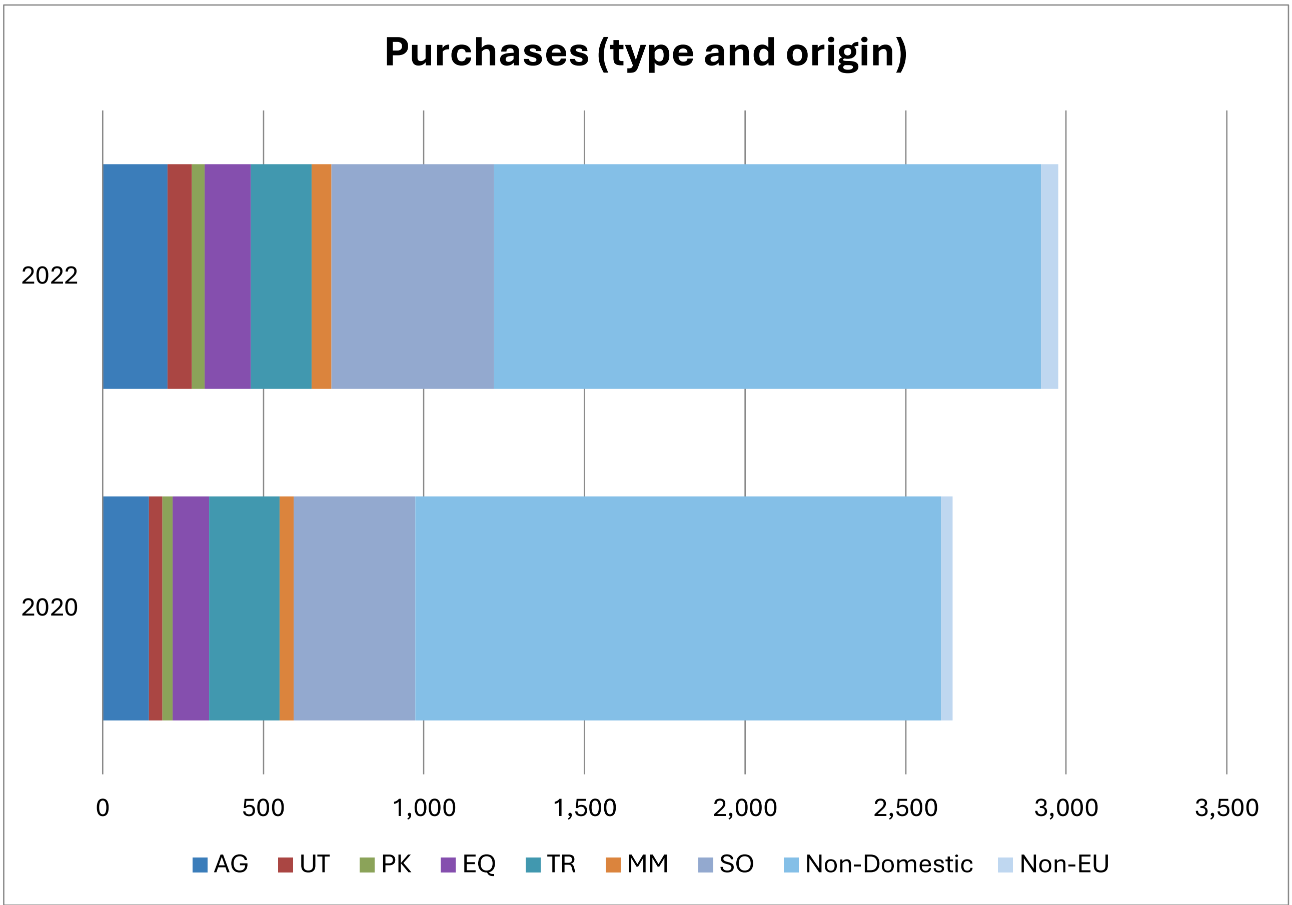
FIGURE 2: RECENT CONSUMPTION TRENDS (2012-2022)



Source: National Associations.

The value of upstream purchases for brewers in Belgium has increased from 2020 to 2022. In 2020, the value of imports was significant, reflecting a substantial proportion of purchases from domestic and intra-EU sources. By 2022, there was a slight increase in overall purchases. Notably, the share of non-domestic purchases (particularly intra-EU) remains high, underscoring Belgium's reliance on imported inputs for beer production. This trend is indicative of Belgium’s continued integration in the European supply chain for brewing materials.

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.

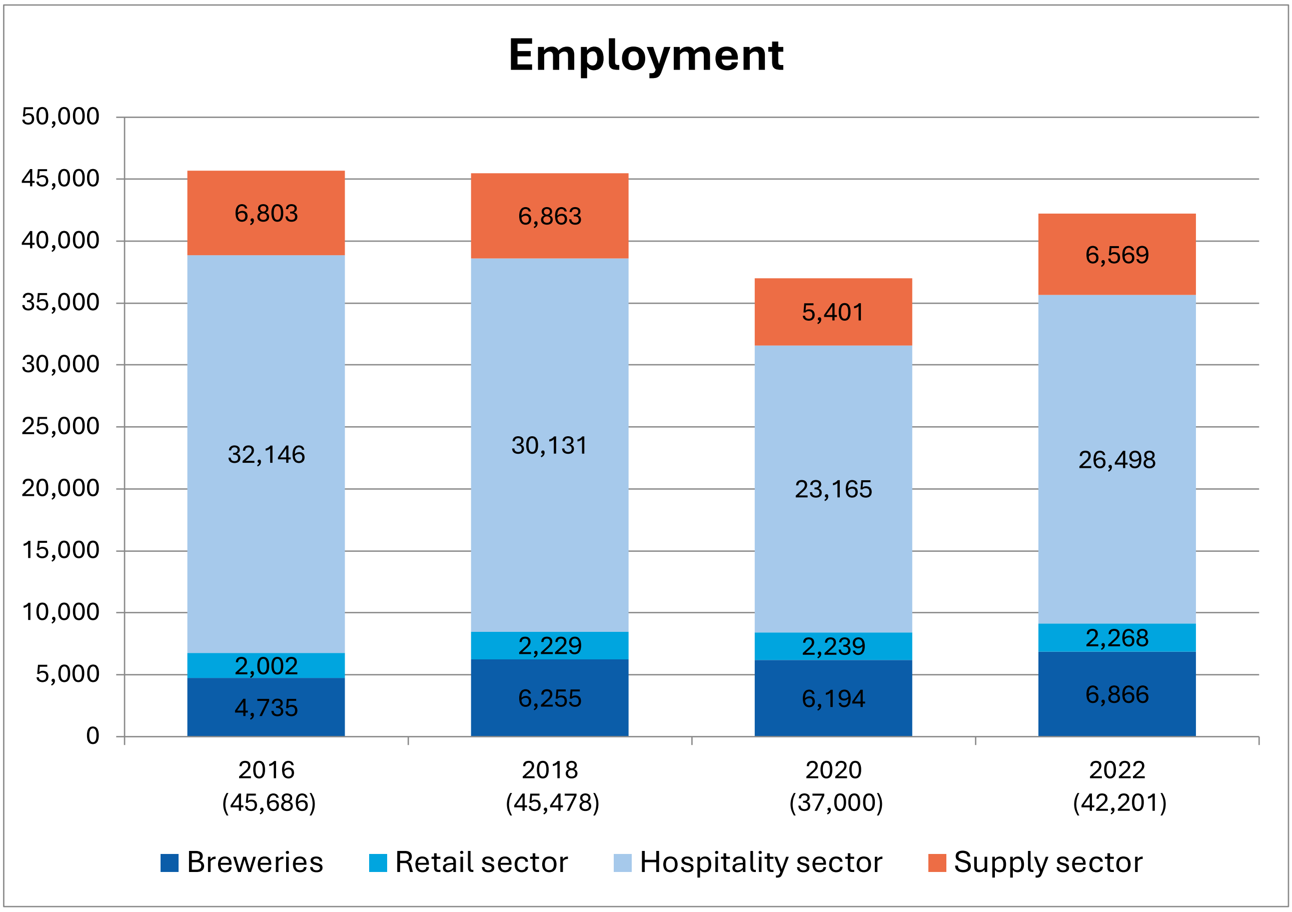
Source: Calculations based on data from Eurostat, and the Individual Brewers Questionnaire.

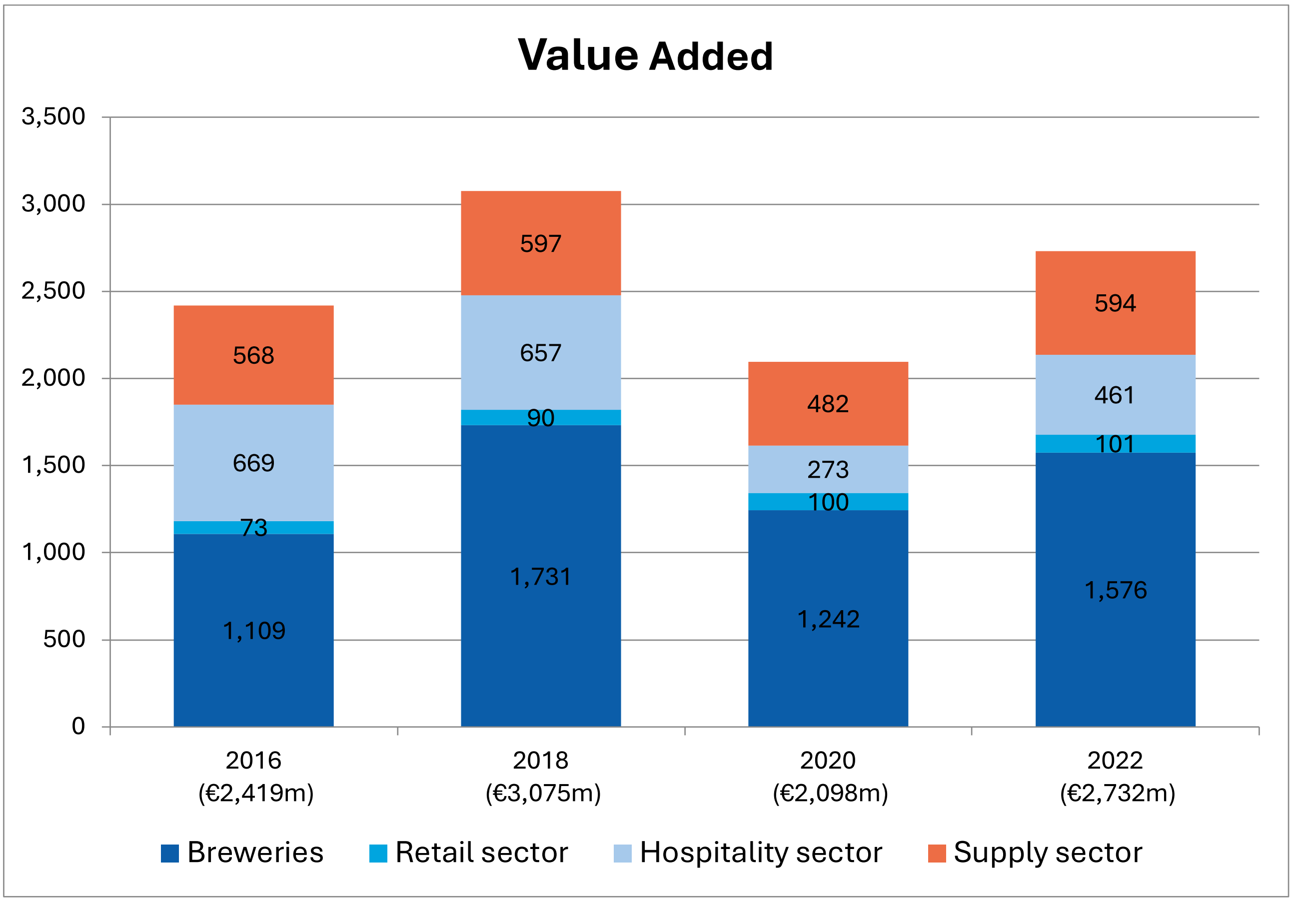
6 THE IMPACTS BEYOND THE SECTOR: RELATED JOBS AND VALUE ADDED

Employment by the brewing sector remains concentrated in the hospitality space in Belgium, which, despite a decline, still accounts for the majority of jobs. Employment remains concentrated in the hospitality space in Belgium. However, the number of jobs accounted for by breweries was higher in 2022 than in 2016, consistent with the increasing number of breweries over the same time period. Overall employment related to beer was over 42,000 individuals in 2022.

The value added by brewing sector has dropped from its high of €3bn in 2018 down to €2.7bn in 2022, having partially recovered from a notable decline during the pandemic to €2.1bn in 2020. Breweries continue to account for the vast majority of added value in the overall beer sector, followed by the hospitality sector and the supply sector.

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





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

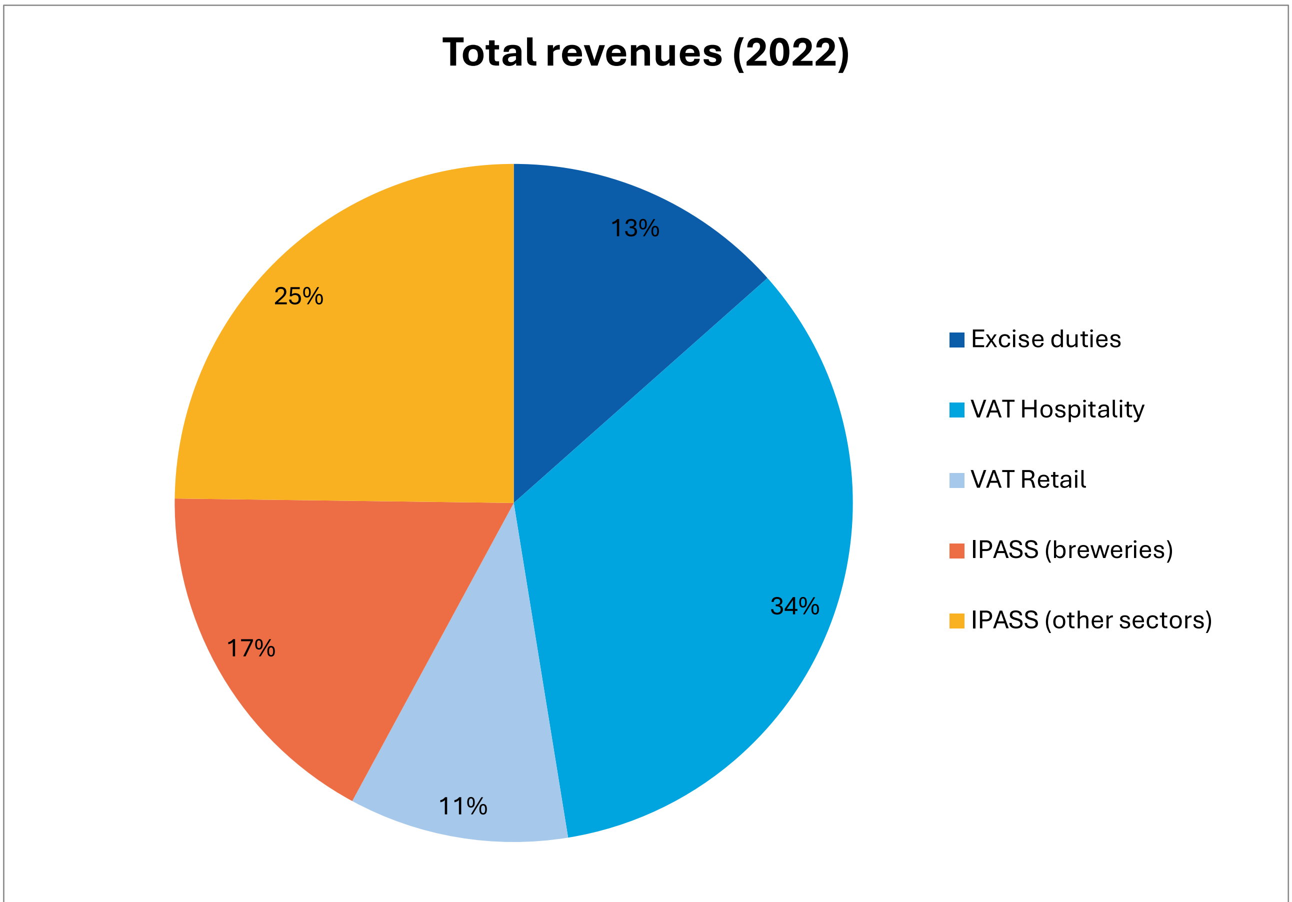
Source: Calculations based on data from Eurostat, National Associations, and the Individual Brewers Questionnaire.

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: 1666 jobs in agriculture, 125 jobs in packaging, 1397 jobs in transport, 495 jobs in media and marketing (the remaining corresponding to utilities, equipment, other).

7 GOVERNMENT REVENUES RELATED TO BEER

The total government revenues generated from all stages of the beer supply chain amounted to €1.4bn in 2022. Just over one third of this total came from VAT collected in the hospitality sector.

FIGURE 5: GOVERNMENT REVENUES RELATED TO THE PRODUCTION AND SALE OF BEER IN 2022: (BILLION EURO)



Note: IPASS - Income, payroll tax and social security

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

As seen below, VAT collected from the hospitality sector stood at €483 in 2022, which is a slight increase from pre-pandemic levels. The beer sector is a valuable source of revenue for the nation of Belgium's fiscal balances; although, a number of brewers have expressed concerns that the Government should not raise taxes and instead seek to keep beer affordable so as to allow for the industry to remain a thriving part of the nation's economy.

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

	2016	2018	2020	2022
Excise duties	202	201	168	191
VAT Hospitality	475	438	232	483
VAT Retail	129	129	134	149
IPASS (breweries)	181	201	218	246
IPASS (other sectors)	400	359	249	352
Total government revenues	**1,387**	**1,321**	**1,000**	**1,421**

Note: IPASS - Income, payroll tax and social security

Source: Calculations - different sources.