

# Denmark

## 1 COUNTRY PROFILE

TABLE 1. COUNTRY PROFILE

	2020	2022
Population	5,822,763	5,873,420
Currency	Krone	Krone
GDP per capita in PPS (2012, EU28 = 100)	133	136

Source: Eurostat and National Statistical offices.

## 2 HIGHLIGHTS DENMARK

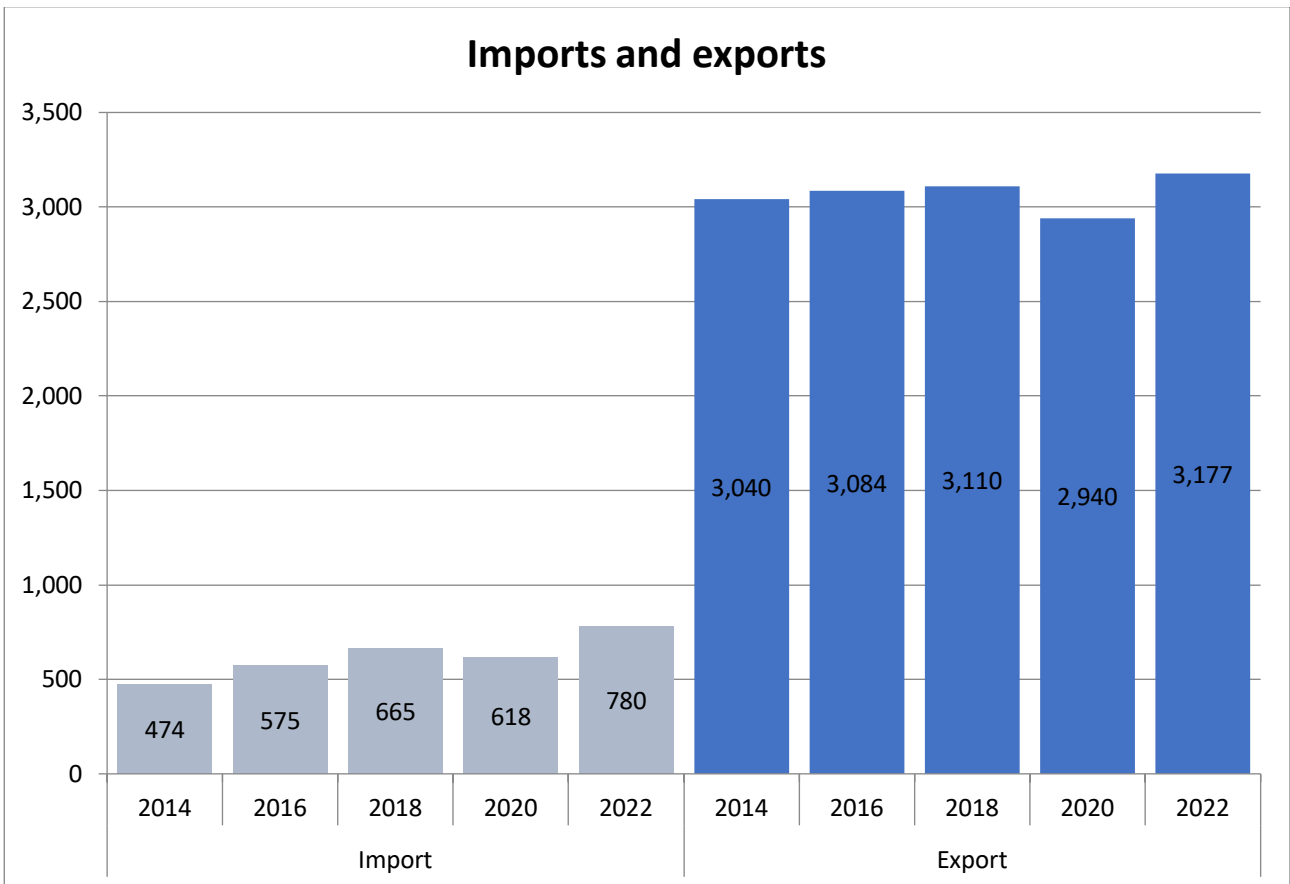
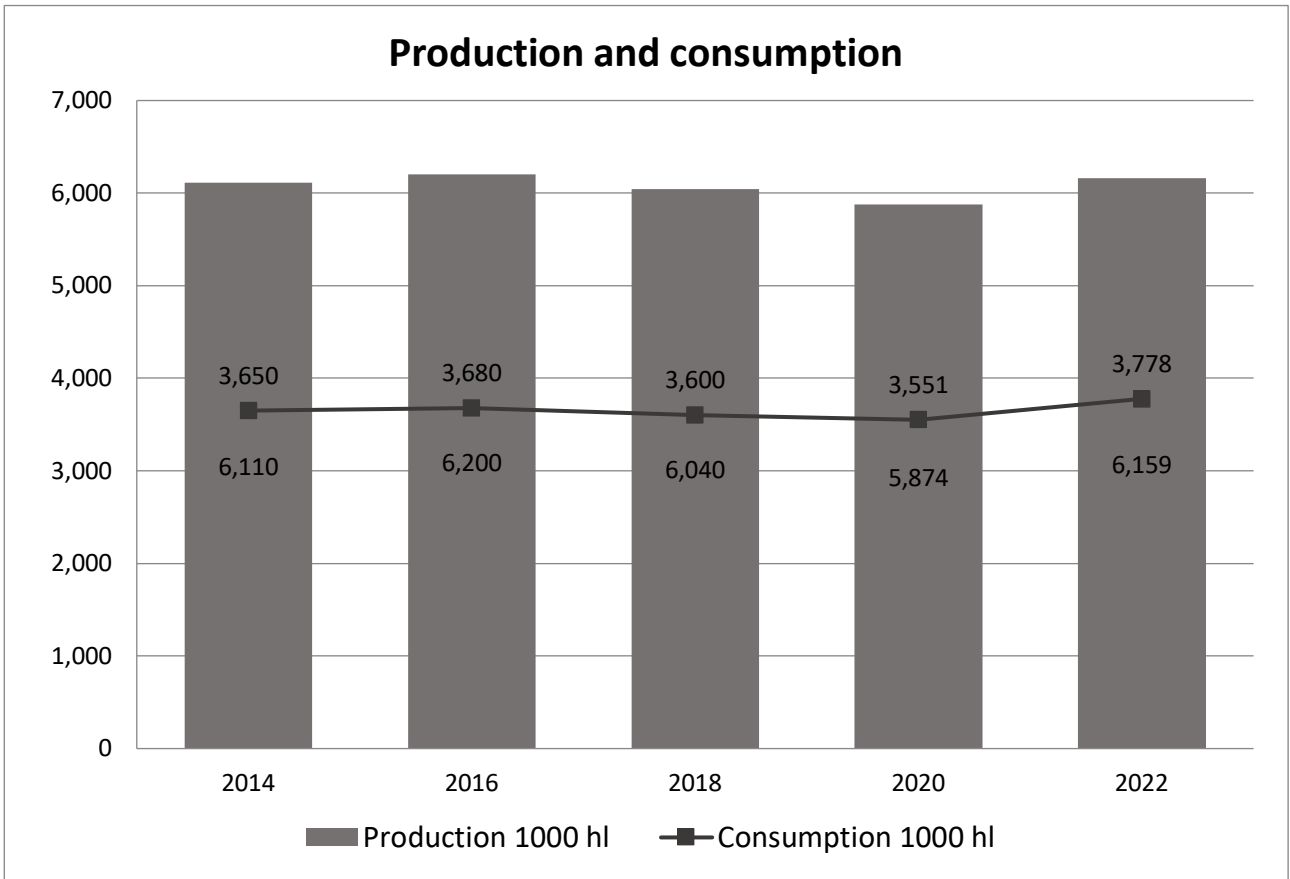
TABLE 2. SUMMARY OF BEER SECTOR'S ECONOMIC IMPACT (AND % CHANGE OVER THE PERIOD 2016-2022)

		2016	2018	2020	2022
Total number of jobs	[14.8%]	25,815	25,807	19,613	29,643
Value-added (mEuro)	[32.7%]	793	874	853	1,052
Government revenues (mEuro)	[15.4%]	632	624	563	730

Source: Calculations - different sources.

Denmark's overall beer production has far exceeded their domestic consumption for many years, highlighting how important their exports are to the industry; exports account for nearly half of all production across this period. Imports have been consistently low for many years in comparison to their exports, despite a new high of 780,000 hectolitres imported in 2022. The outputs of the Danish beer sector have not been particularly impacted by the pandemic, compared to elsewhere in Europe, with steady production and consumption levels. However, there has been a decline in the number of jobs that can be attributed to the beer sector, starting during the COVID pandemic.

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



Source: National Associations.

### 3 A SNAPSHOT OF THE BREWING SECTOR

In 2022, beer production in the country reached 6.2 million hectolitres, showing a recovery from the moderate fall since 2016. The number of breweries, including microbreweries, expanded to 261. The number of brewing companies has grown steadily over the years, reaching 230 in 2022, even while total production has been fairly stable. This growth has been primarily driven by a significant increase in the number of microbreweries, which rose from 140 in 2016 to 230 in 2022, consistent with trends across Europe.

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

	2016	2018	2020	2022
Total production (in hectolitres)	6,200,000	6,040,000	5,874,000	6,159,000
Brewing companies	150	185	200	230
Breweries (including microbreweries)	180	206	228	261
Microbreweries	140	175	190	230

Source: National Associations.

### 4 LOOKING AT THE BEER MARKET

Consumption indicators were also relatively stable during the period 2016-2022. Despite a slight decline in 2020 due to the pandemic, total consumption reached a new high for this period in 2022.

Denmark is one of the seven countries in Europe with an average price of more than €10 per litre in the hospitality sector. In 2022, the average price was €12.52.

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

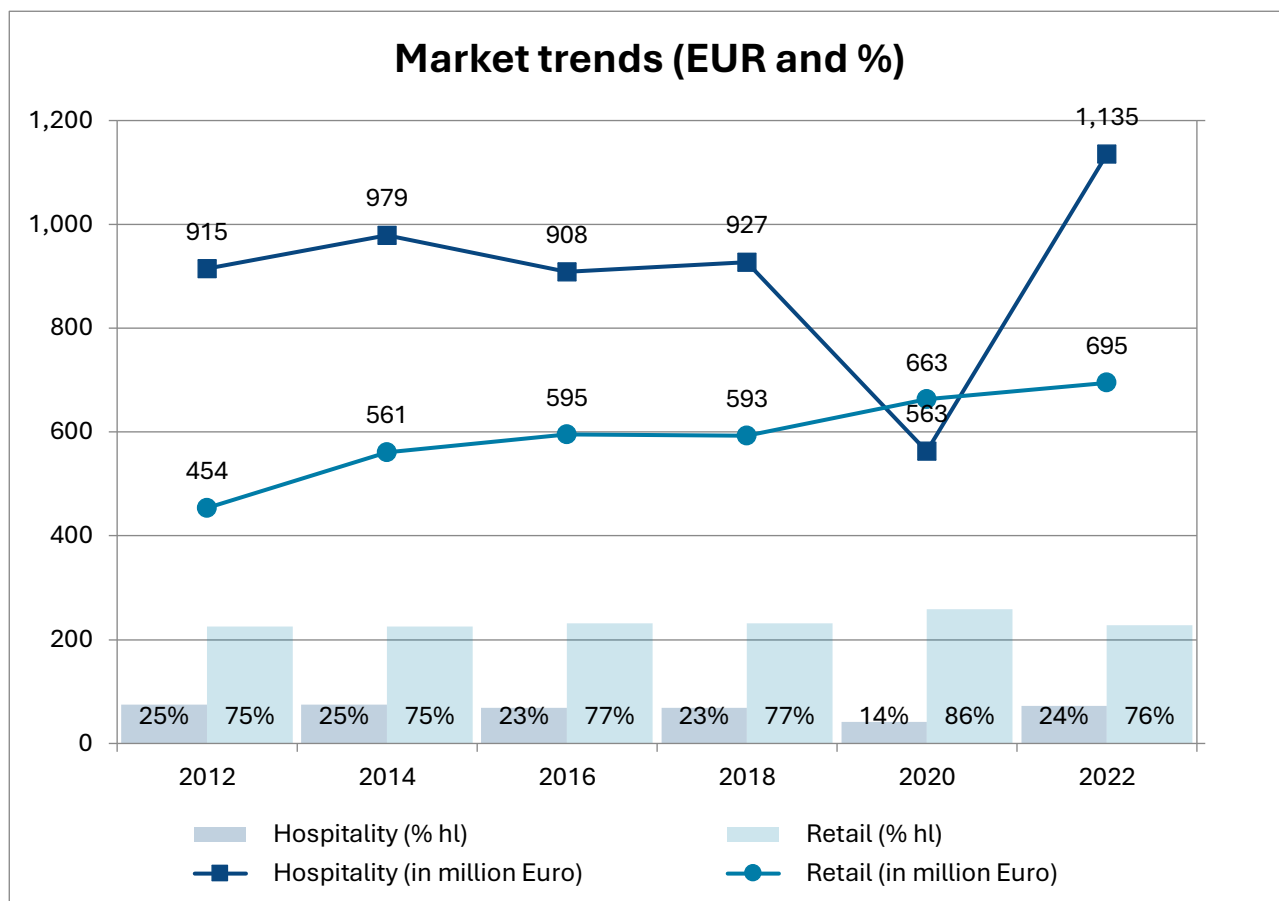
	2016	2018	2020	2022
Total consumption in hectolitres	3,680,000	3,600,000	3,551,000	3,778,000
Total consumer spending (in million Euro)	1,503	1,520	1,226	1,830
Consumption of beer per capita (in litres)	62	62	61	64
Beer consumption hospitality	23%	23%	14%	24%
Beer consumption retail	77%	77%	86%	76%
Consumer price hospitality (€ / litre) *	10.73	11.20	11.32	12.52
Consumer price retail (€ / litre)	2.10	2.14	2.17	2.42

Source: National Associations. Note: \* Missing data for on-trade price from 2019 to 2022, assumed to be inflated by consumer price index (HICP) for calculation purposes.

## 5 TRENDS AND DEVELOPMENTS

In Denmark, beer consumption is still largely dominated by the retail sector, which accounted for 76% of all purchases in 2022. Despite this, the hospitality sector plays a significant role in terms of overall market value, due to the higher average beer prices in hospitality settings. The market value of the hospitality sector increased significantly in 2022, to €1,135 million. The market value of the retail sector was €695 million. However, over the ten-year period from 2012 to 2022, the market value for hospitality shows a fluctuating trend, including a noticeable drop in 2020 during the pandemic before recovering sharply in 2022, while the retail sector's market value remained relatively stable. Overall, the total market value increased significantly from 2012 to 2022.

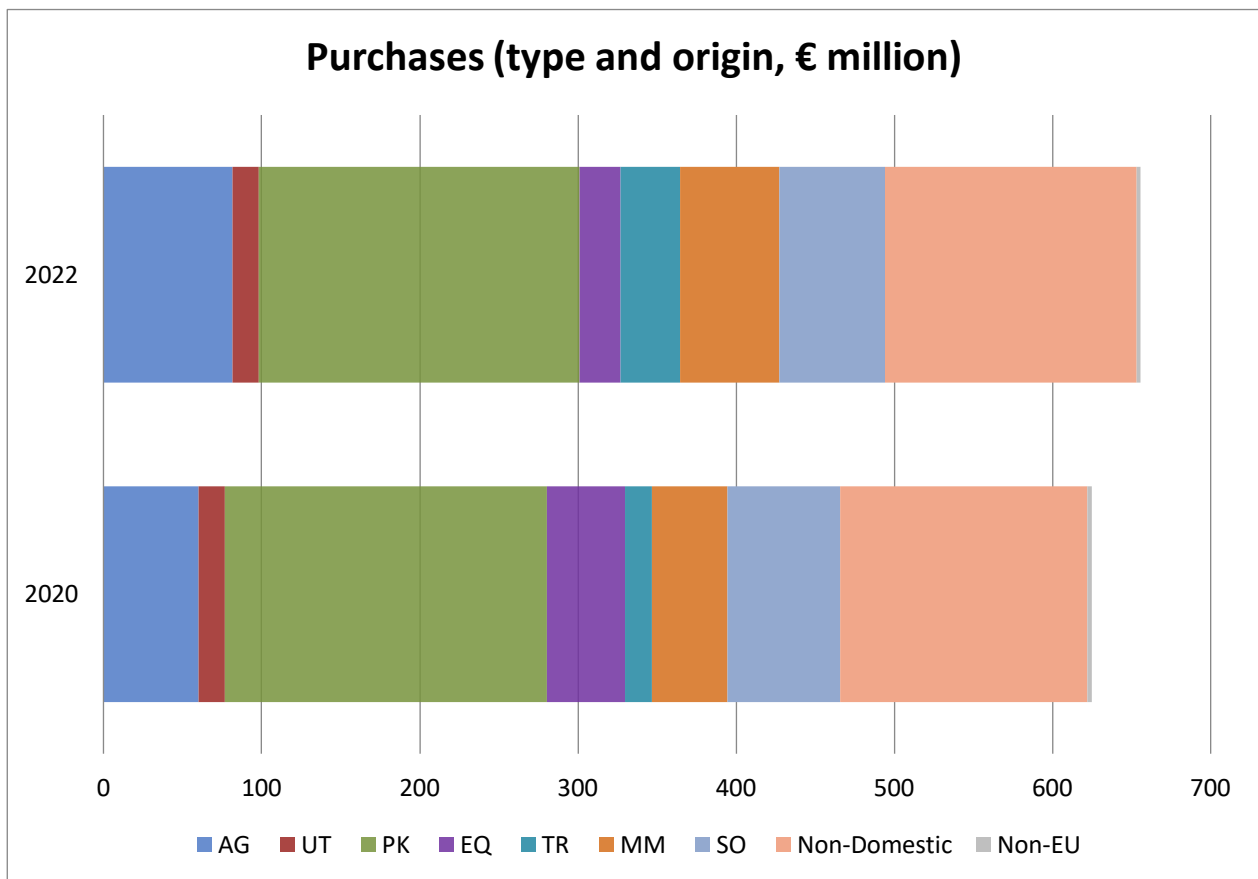
FIGURE 2: RECENT CONSUMPTION TRENDS (2012-2022)



Source: National Associations.

The overall value of up-stream purchase has remained stable between 2020 and 2022, reaching over 600 million Euros. A range of domestic economic sectors are supported through this purchasing, including agricultural production, transportation of goods, and product packaging, among many others. Packaging is, by a significant margin, the domestic supply-chain input on which the most money is spent, 203 million Euros in 2022.

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.

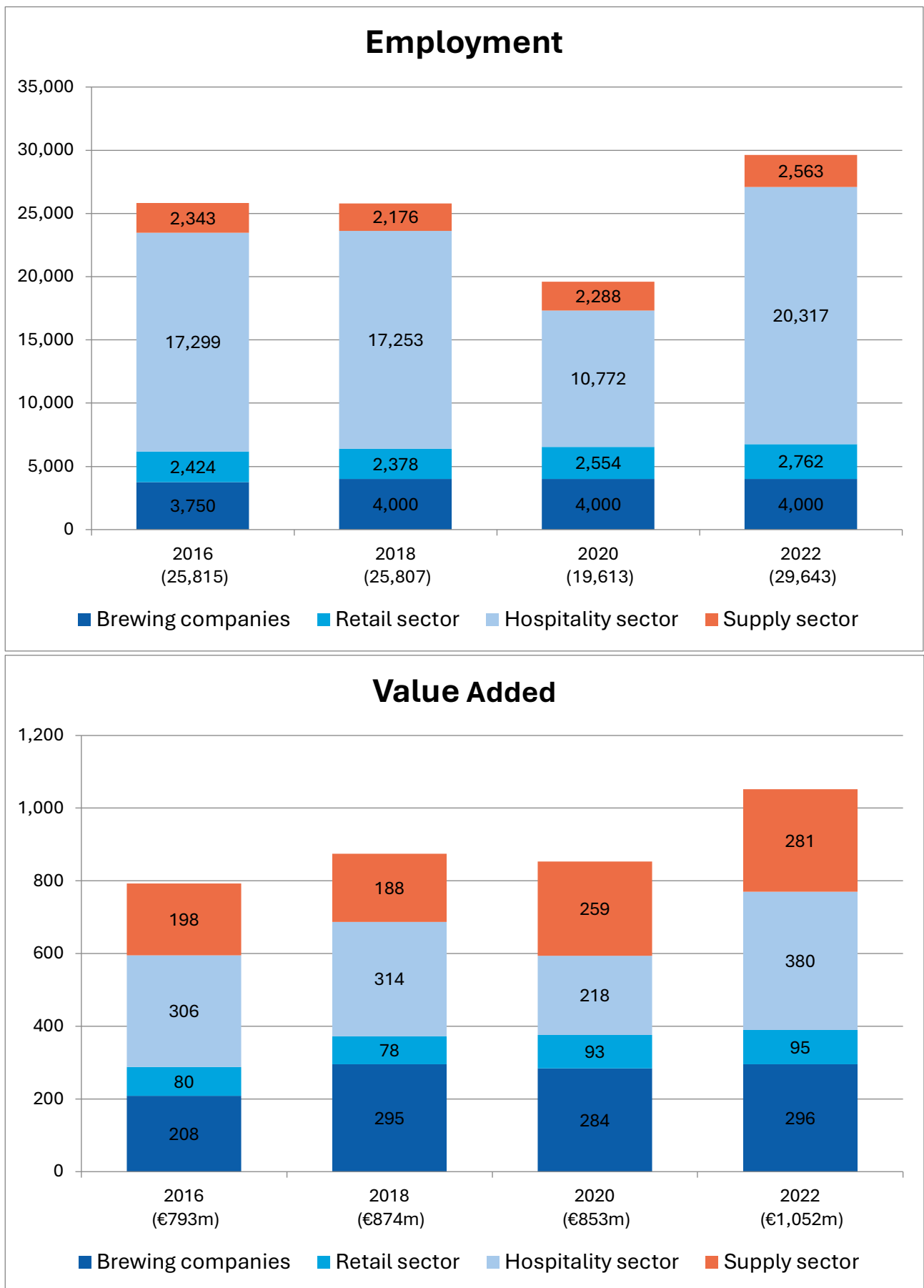
Source: Calculations based on data from Eurostat, and the Individual Brewers Questionnaire.

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

Employment attributable to the beer sector was significantly affected by COVID-19, but the numbers have seen a strong recovery, rising to nearly 30,000 in 2022, surpassing pre-pandemic levels. The hospitality sector still dominates the overall employment numbers, with over 20,000 jobs in 2022, up from the low of under 11,000 in 2020. The brewing companies, retail, and supply sectors also saw increases, contributing to the recovery.

Value added in the beer industry has seen a strong increase, reaching €1,052 million in 2022, far surpassing pre-pandemic levels. The increase since 2018 is largely driven by gains in the supply and hospitality sectors. The hospitality sector contributed €380 million, rebounding from its 2020 dip, while the supply sector added €280 million, showing a consistent upward trend. Brewing companies contributed around €300 million of the total value added of the sector.

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



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

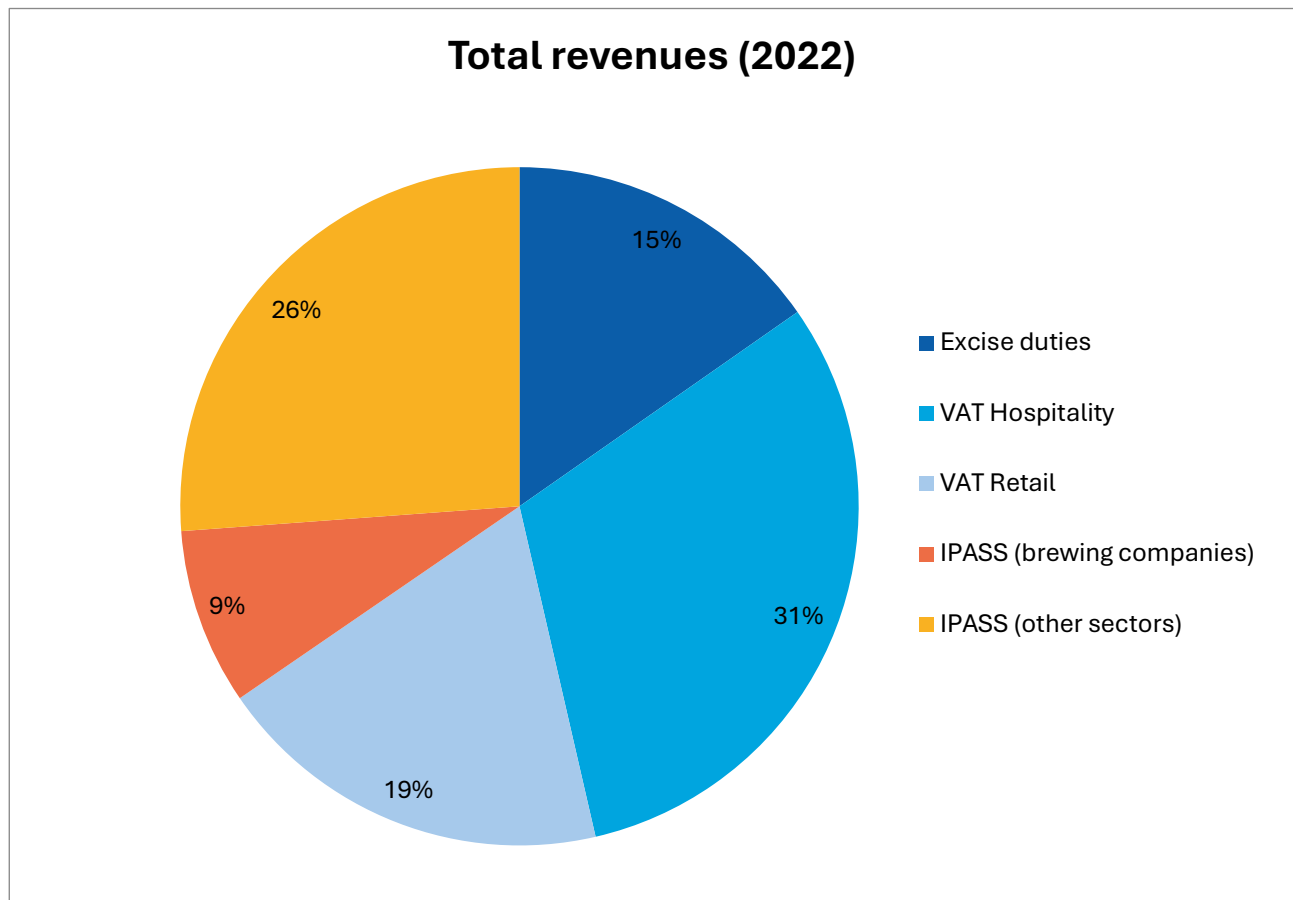
Source: Calculations based on data from Eurostat, National Associations, and the Individual Brewers Questionnaire.

As quantified through responses to the brewer's survey, just over 2,500 jobs exist in the beer industry as of 2022. Many different sectors are accounted for in this number, including: 782 jobs in packaging, 734 jobs in the agricultural sector, and 501 jobs in media and marketing, among many other important sectors.

## 7 GOVERNMENT REVENUES RELATED TO BEER

Government revenues from the beer industry in Denmark are led by VAT revenues from the hospitality sector, which make up 31% of total revenues, while VAT from the retail sector contributes 19%. IPASS collections from other sectors also contribute significant portions. While excise duties play an important role, IPASS from brewing companies represents the smallest share. The distribution highlights the significant role of sectors outside of brewing in overall government revenue.

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 overall tax revenues collected in 2022 were €730 million, a marked recovery from the low of €563 million in 2020 and exceeding the revenues attributable to the sector in the years prior to the pandemic.

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

	2016	2018	2020	2022
Excise duties	128	115	105	112
VAT Hospitality	182	185	113	227
VAT Retail	119	119	133	139
IPASS (brewing companies)	49	50	62	61
IPASS (other sectors)	155	155	151	191
<b>Total government revenues</b>	<b>632</b>	<b>624</b>	<b>563</b>	<b>730</b>

*Note: IPASS - Income, payroll tax and social security*

*Source: Calculations - different sources.*