

Finland

1 COUNTRY PROFILE

TABLE 1. COUNTRY PROFILE

| | 2020 | 2022 |
|--|-----------|-----------|
| Population | 5,525,292 | 5,548,241 |
| Currency | Euro | Euro |
| GDP per capita in PPS (2012, EU28 = 100) | 114 | 110 |

Source: Eurostat and National Statistical offices.

2 HIGHLIGHTS FINLAND

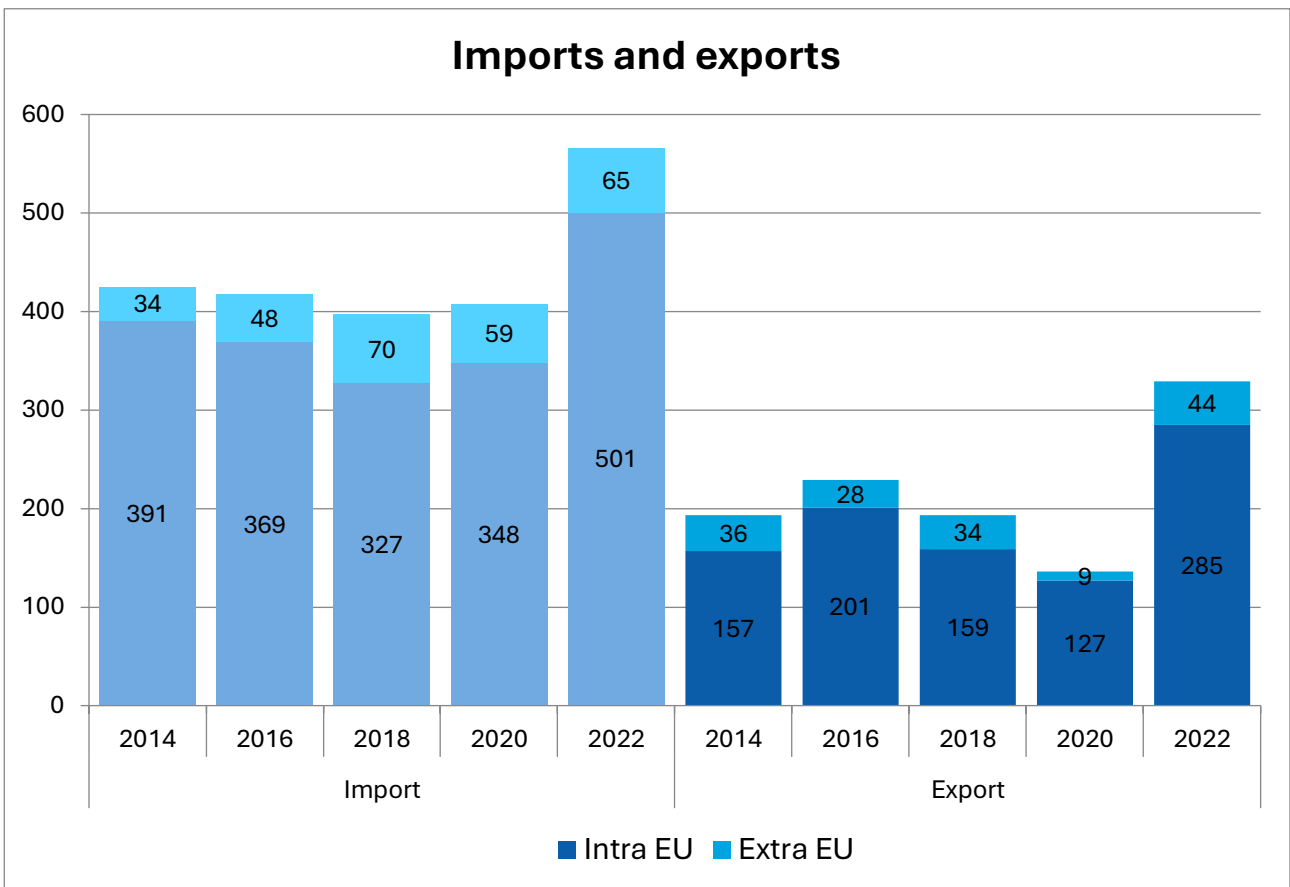
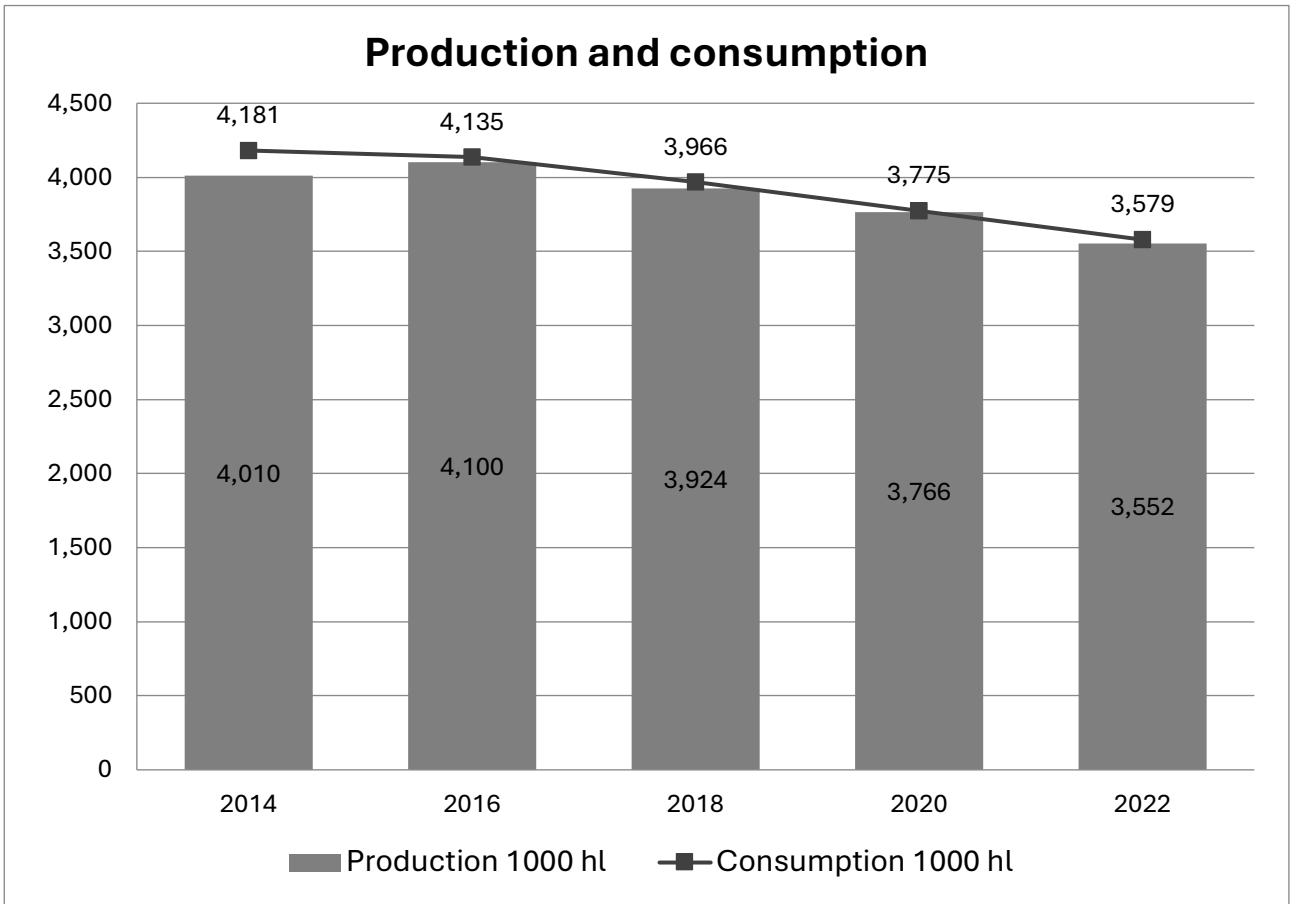
TABLE 2. SUMMARY OF BEER SECTOR'S ECONOMIC IMPACT (AND % CHANGE OVER THE PERIOD 2016-2022)

| | | 2016 | 2018 | 2020 | 2022 |
|-----------------------------|---------|--------|--------|--------|--------|
| Total number of jobs | [-5.5%] | 17,996 | 17,073 | 15,259 | 17,008 |
| Value-added (mEuro) | [2.9%] | 889 | 939 | 827 | 915 |
| Government revenues (mEuro) | [-0.6%] | 1,279 | 1,261 | 1,213 | 1,271 |

Source: Calculations - different sources.

Over the period of 2016 to 2022, overall production of beer as well as overall domestic consumption has shown a downward trend in Finland. Despite this, there has been an increase in the number of breweries in the country, and overall consumer spending has been rising since 2018, and appears to be on its way back to its peak level in 2016.

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



Source: National Associations.

3 A SNAPSHOT OF THE BREWING SECTOR

With the overall fall in production came an interestingly high increase in the number of breweries in Finland, specifically an increase in microbreweries which doubled over the period of 2016 to 2022.

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

| | 2016 | 2018 | 2020 | 2022 |
|--------------------------------------|-----------|-----------|-----------|-----------|
| Total production (in hectolitres) | 4,100,000 | 3,924,000 | 3,766,000 | 3,552,000 |
| Brewing companies | 76 | 97 | 107 | 121 |
| Breweries (including microbreweries) | 82 | 104 | 118 | 136 |
| Microbreweries | 55 | 79 | 92 | 111 |

Source: National Associations.

4 LOOKING AT THE BEER MARKET

Over the period of 2016 to 2022, beer consumption in Finland fell from over 4.1 million hectolitres to around 3.6 million. This observed result may be partially attributed to the increase in alcohol prices over the period, which rose in both the hospitality and retail sectors.

The proportion of beer bought from the retail sector is much higher than most other European countries, with 87 per cent of all consumption sourced from the retail sector in 2022.

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

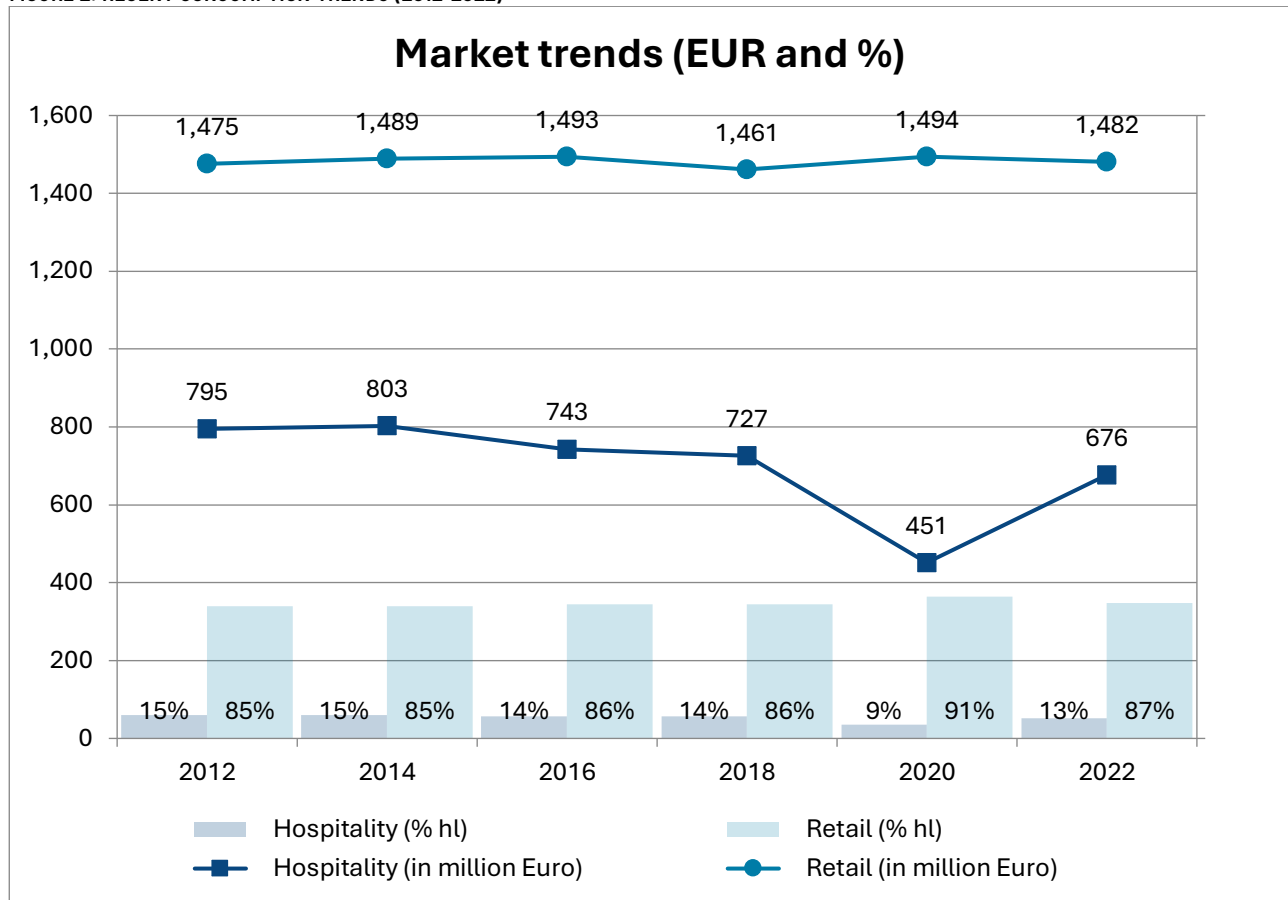
| | 2016 | 2018 | 2020 | 2022 |
|--|-----------|-----------|-----------|-----------|
| Total consumption in hectolitres | 4,135,000 | 3,966,000 | 3,775,000 | 3,579,000 |
| Total consumer spending (in million Euro) | 2,236 | 2,188 | 1,946 | 2,158 |
| Consumption of beer per capita (in litres) | 75 | 72 | 68 | 64 |
| Beer consumption hospitality | 14% | 14% | 9% | 13% |
| Beer consumption retail | 86% | 86% | 91% | 87% |
| Consumer price hospitality (€ / litre)* | 12.83 | 13.09 | 13.29 | 14.53 |
| Consumer price retail (€ / litre)* | 4.20 | 4.28 | 4.35 | 4.76 |

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

5 TRENDS AND DEVELOPMENTS

The overall value of beer consumed in the hospitality sector has decreased over the ten-year period between 2012 and 2022 by just over €100 million. On the other hand, the total value in the retail sector is slightly higher.

FIGURE 2: RECENT CONSUMPTION TRENDS (2012-2022)

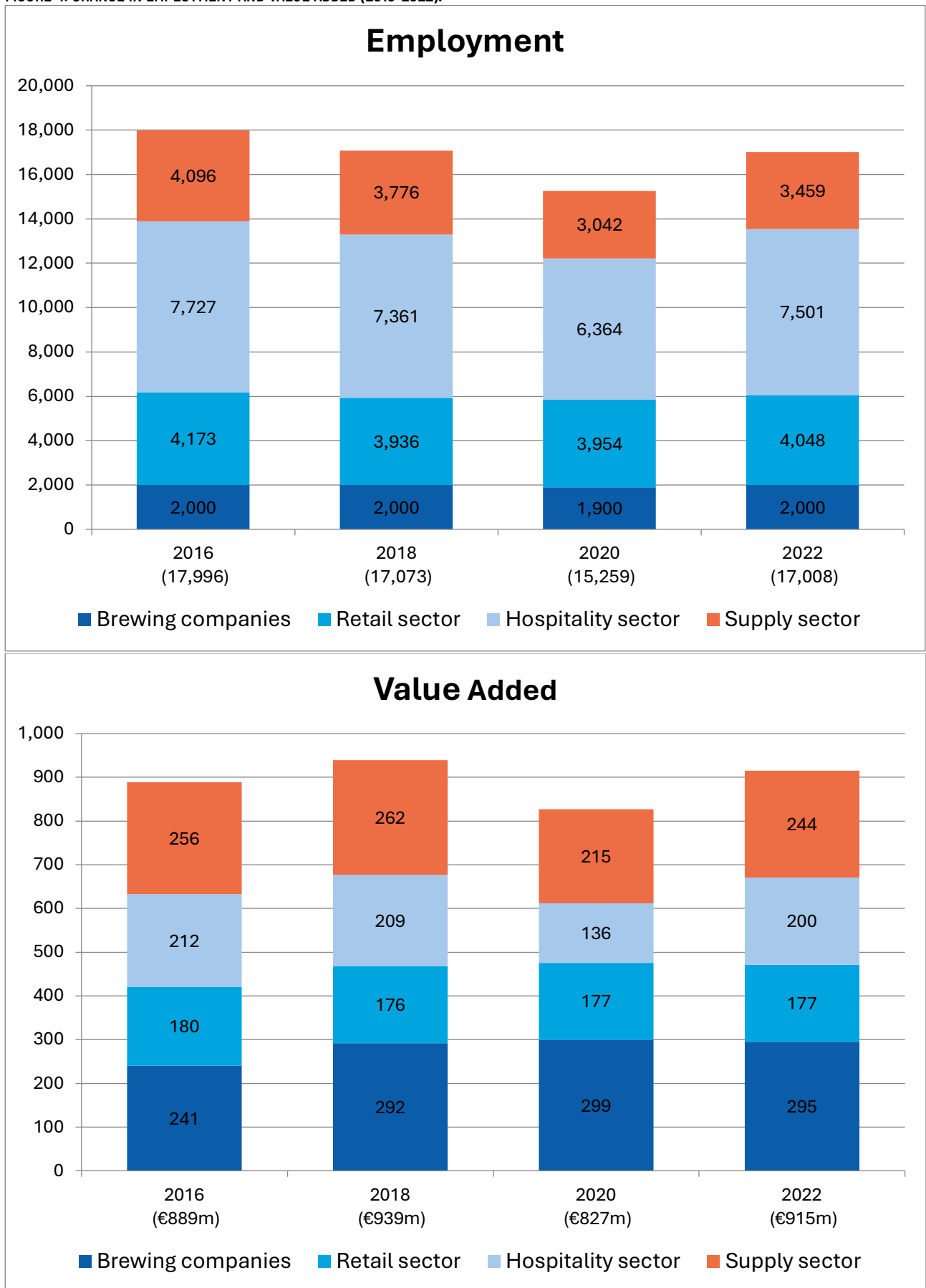


Source: National Associations.

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

The impact on employment that can be attributed to the beer sector appears to have increased since 2020, reaching 17,008 in 2022. Along with this, the value added impact from beer rebounded to a high level in 2022 of €915 million, a significant increase from 2020 which was estimated to be €827 million.

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

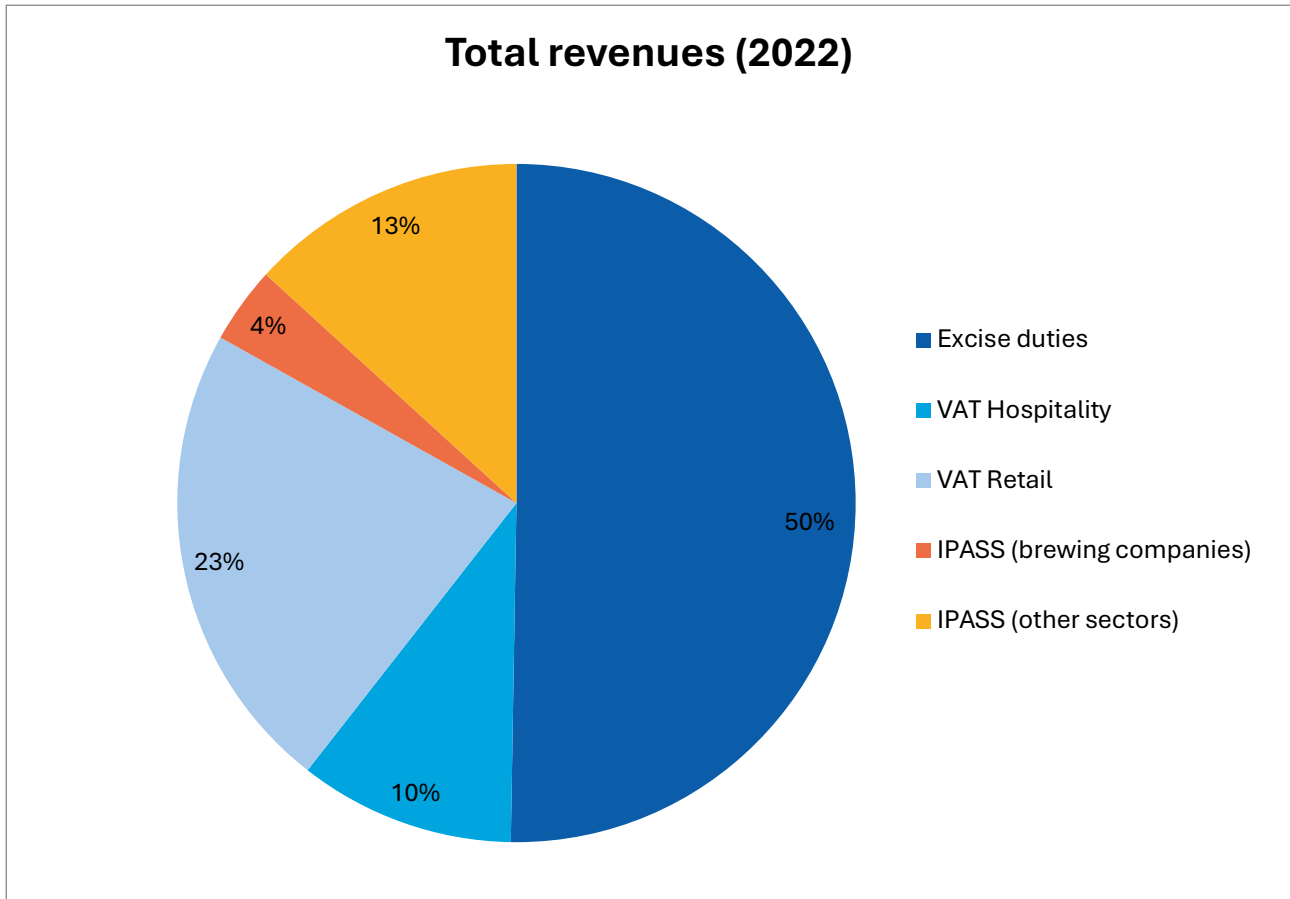


Source: Calculations based on data from Eurostat, National Associations, and the Individual Brewers Questionnaire.

7 GOVERNMENT REVENUES RELATED TO BEER

Excise duty payments continue to dominate the tax contribution of the Finnish beer industry accounting for €639 million of the €1.3 billion total collected in tax revenue in 2022. The largest share of VAT tax revenues were sourced from the retail sector, sitting at €287 million in 2022.

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.

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

| | 2016 | 2018 | 2020 | 2022 |
|----------------------------------|--------------|--------------|--------------|--------------|
| Excise duties | 606 | 654 | 654 | 639 |
| VAT Hospitality | 144 | 141 | 87 | 131 |
| VAT Retail | 289 | 283 | 289 | 287 |
| IPASS (brewing companies) | 48 | 45 | 45 | 46 |
| IPASS (other sectors) | 185 | 157 | 138 | 168 |
| Total government revenues | 1,279 | 1,261 | 1,213 | 1,271 |

Note: IPASS - Income, payroll tax and social security

Source: Calculations - different sources.