

# Ireland

## 1 COUNTRY PROFILE

TABLE 1. COUNTRY PROFILE

	2020	2022
Population	4,964,440	5,149,139
Currency	Euro	Euro
GDP per capita in PPS (2012, EU28 = 100)	207	235

Source: Eurostat and National Statistical offices.

## 2 MODELLING THE ECONOMIC CONTRIBUTIONS OF THE BEER INDUSTRY

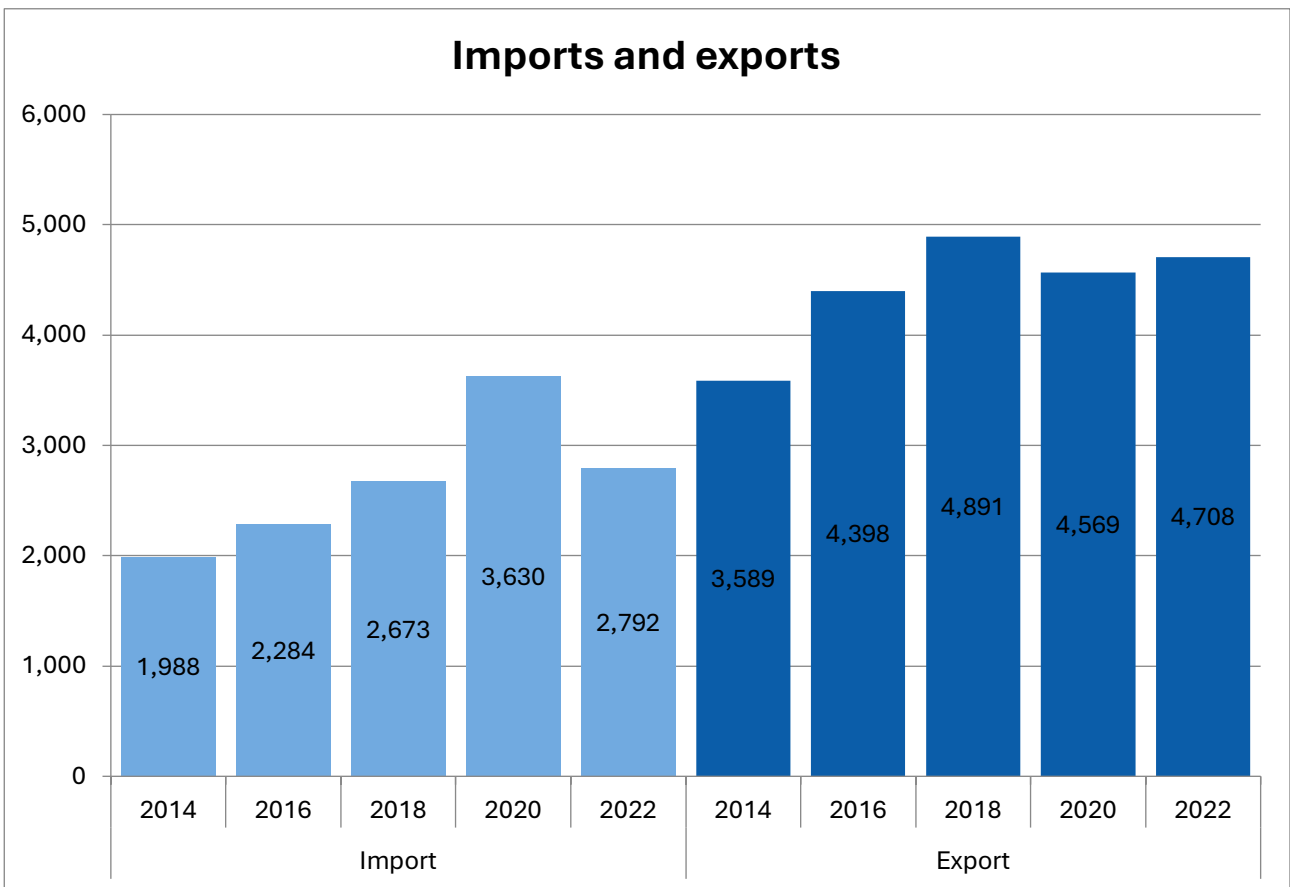
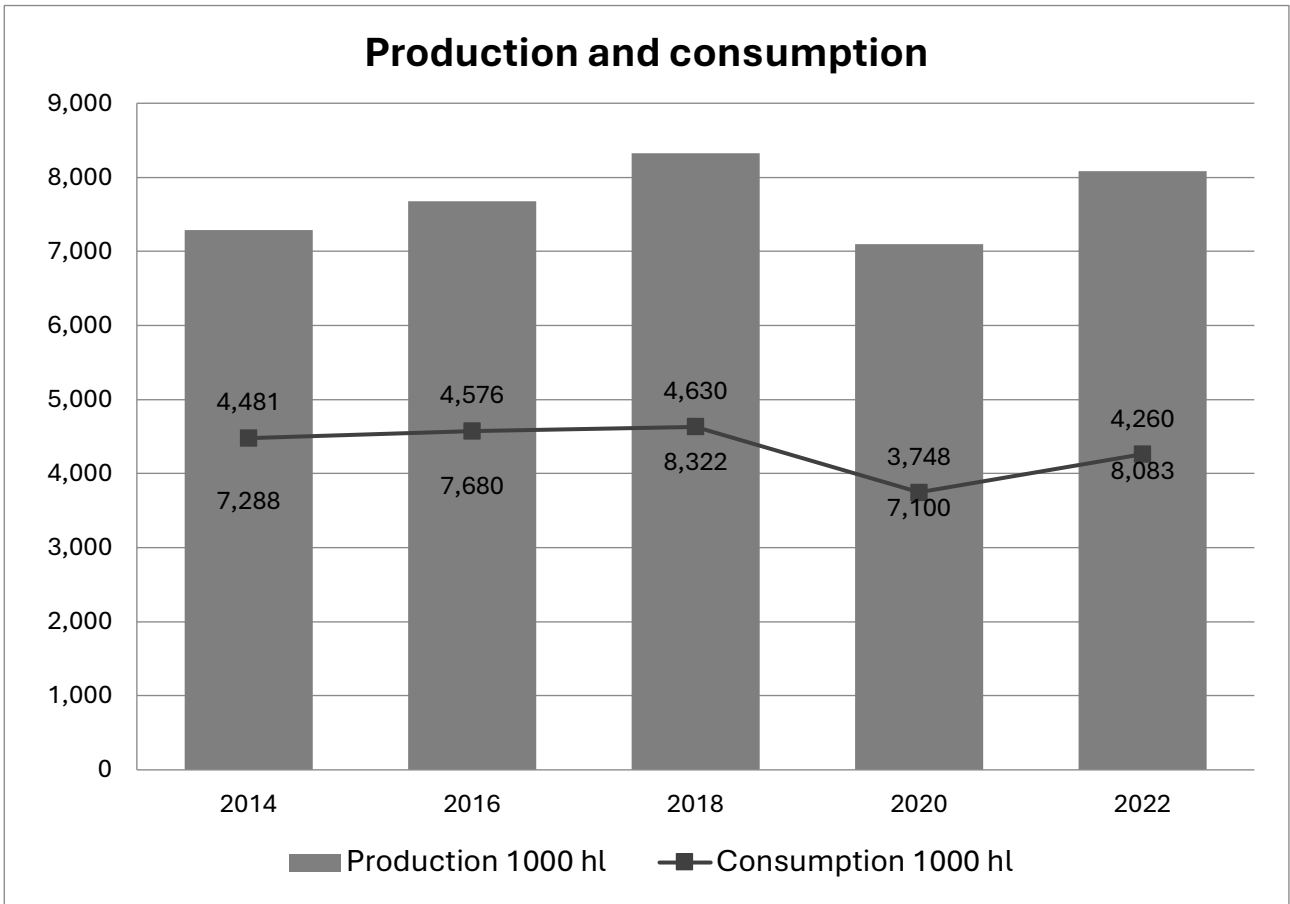
TABLE 2. SUMMARY OF BEER SECTOR'S ECONOMIC IMPACT (AND % CHANGE OVER THE PERIOD 2016-2022)

		2016	2018	2020	2022
Total number of jobs	[20.7%]	38,385	40,804	29,421	46,339
Value-added (mEuro)	[15.1%]	1,617	1,858	1,115	1,860
Government revenues (mEuro)	[3%]	1,354	1,388	920	1,395

Source: Calculations of this study based on data from The Brewers of Europe, National Associations, Questionnaire to individual breweries, Eurostat, DG Taxud

Beer production in Ireland was higher in 2022 than in 2016, although there was a decrease in domestic consumption over the same period. This difference has cemented Ireland as a net exporter of beer, and in 2022, Ireland became the fifth biggest exporter of beer in the European Union. There has also been an increase in the number of breweries in Ireland.

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



Source: National Associations.

### 3 A SNAPSHOT OF THE BREWING SECTOR

There was a significant recovery in domestic beer production in 2022 following year on year declines in 2020 and 2021. This revival also demonstrates the recovery in international demand as hospitality sectors overseas bounced back following lockdowns and restrictions. However, production levels remain below pre-pandemic levels.

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

	2016	2018	2020	2022
Total production (in hectolitres)	7,680,000	8,322,000	7,100,000	8,083,000
Brewing companies	93	128	128	127
Breweries (including microbreweries)	64	77	77	80
Microbreweries	75	75	75	74

Source: National Associations.

### 4 LOOKING AT THE BEER MARKET

Total consumption decreased by almost 300,000 hectolitres from 2018 to 2022, yet an all-time high in consumer spending was witnessed over the same period. The average beer consumption in Ireland has fallen by ten litres per capita over this period. This is in line with the long-term trend of alcohol consumption declining in Ireland, down by around 30% in the past 20 years. Retail sales accounted for a larger share of consumption in 2020 due to the pandemic, with their share increasing from 37 per cent to 70 per cent. Since then, the shares of hospitality and retail consumption have returned to their pre-pandemic levels.

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

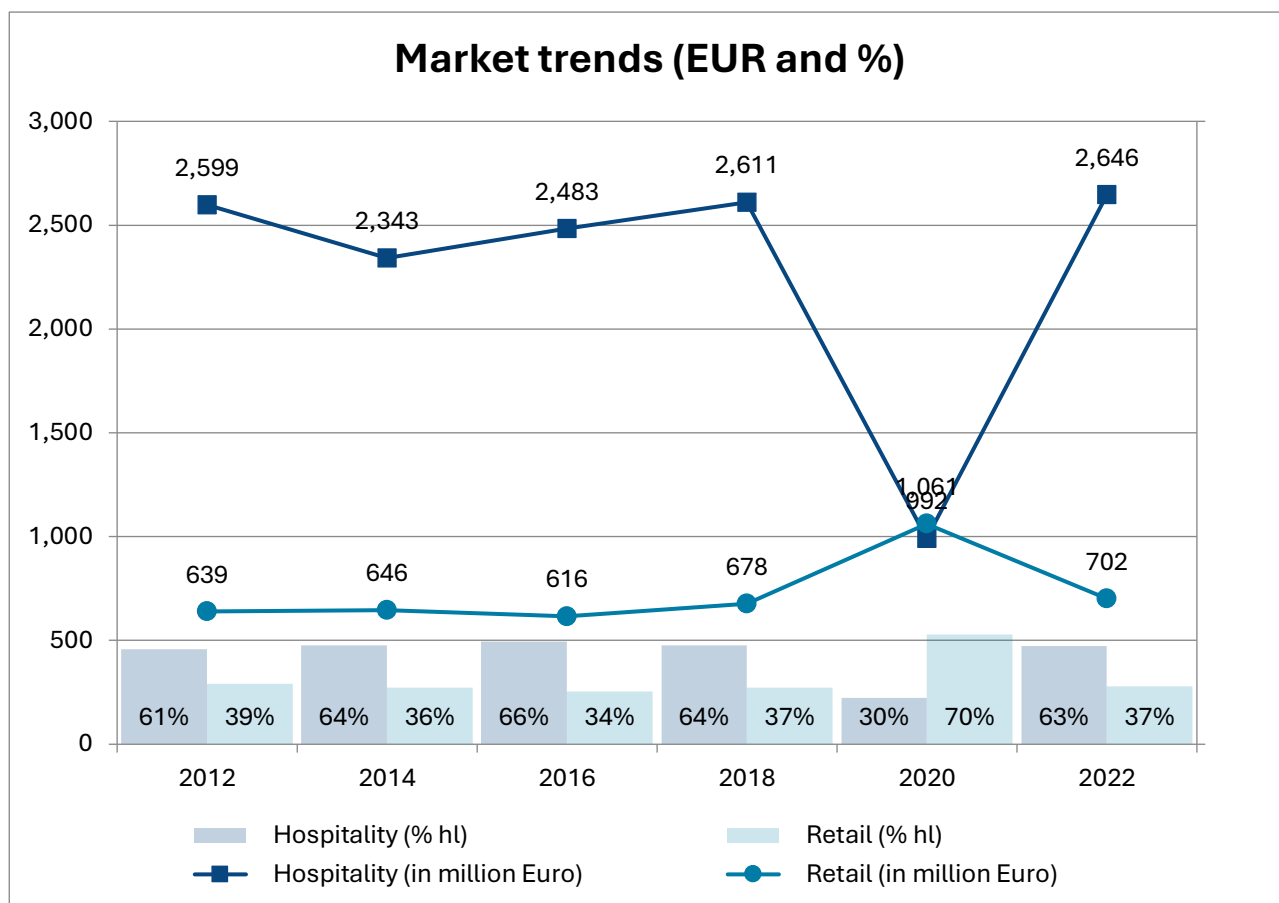
	2016	2018	2020	2022
Total consumption in hectolitres	4,576,000	4,630,000	3,748,000	4,260,000
Total consumer spending (in million Euro)	3,099	3,288	2,053	3,349
Consumption of beer per capita (in litres)	81	80	64	71
Beer consumption hospitality	66%	64%	30%	63%
Beer consumption retail	34%	37%	70%	37%
Consumer price hospitality (€ / litre)*	8.22	8.88	8.91	9.86
Consumer price retail (€ / litre)*	3.96	4.01	4.03	4.46

Source: The Brewers of Europe/National Associations. Note: \* Prices are averages inclusive of taxes and duties.

## 5 TRENDS AND DEVELOPMENTS

Although the consumption levels of Ireland have dropped in recent years, the overall market value of both the retail and hospitality sectors increased over the ten years from 2012 to 2022. Nevertheless, despite the positive trends found in this report, the beer market faced challenges in the wider trading and business environment. As an energy dependent sector, beer companies experienced higher input costs in 2022. The availability and cost of aluminium cans and glass, the cost of logistics and input price inflation added to the challenges facing the sector. However, the reopening of the on-trade particularly benefited the beer industry, and the Irish drinks industry remains resilient and adaptable.

FIGURE 2: RECENT CONSUMPTION TRENDS (2012-2022)



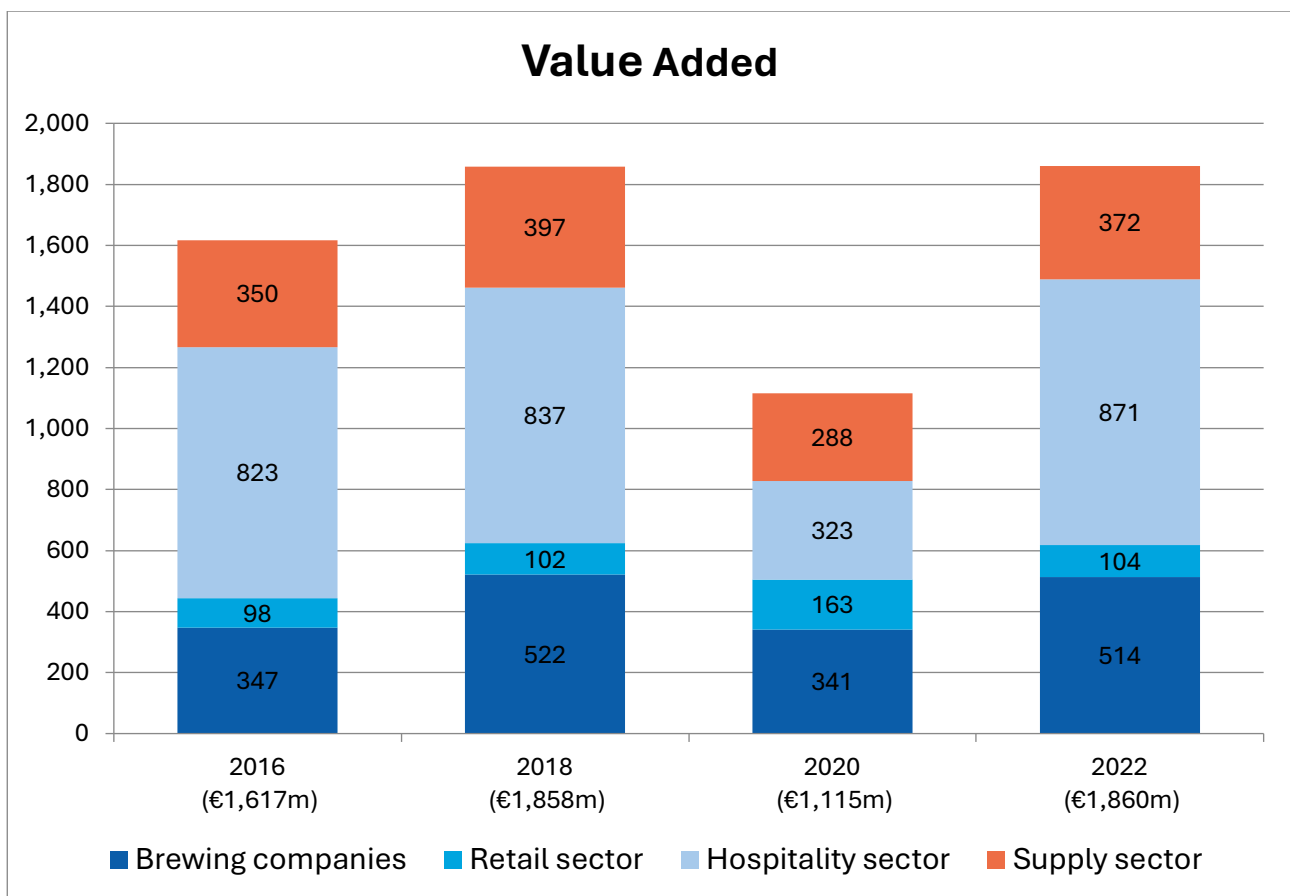
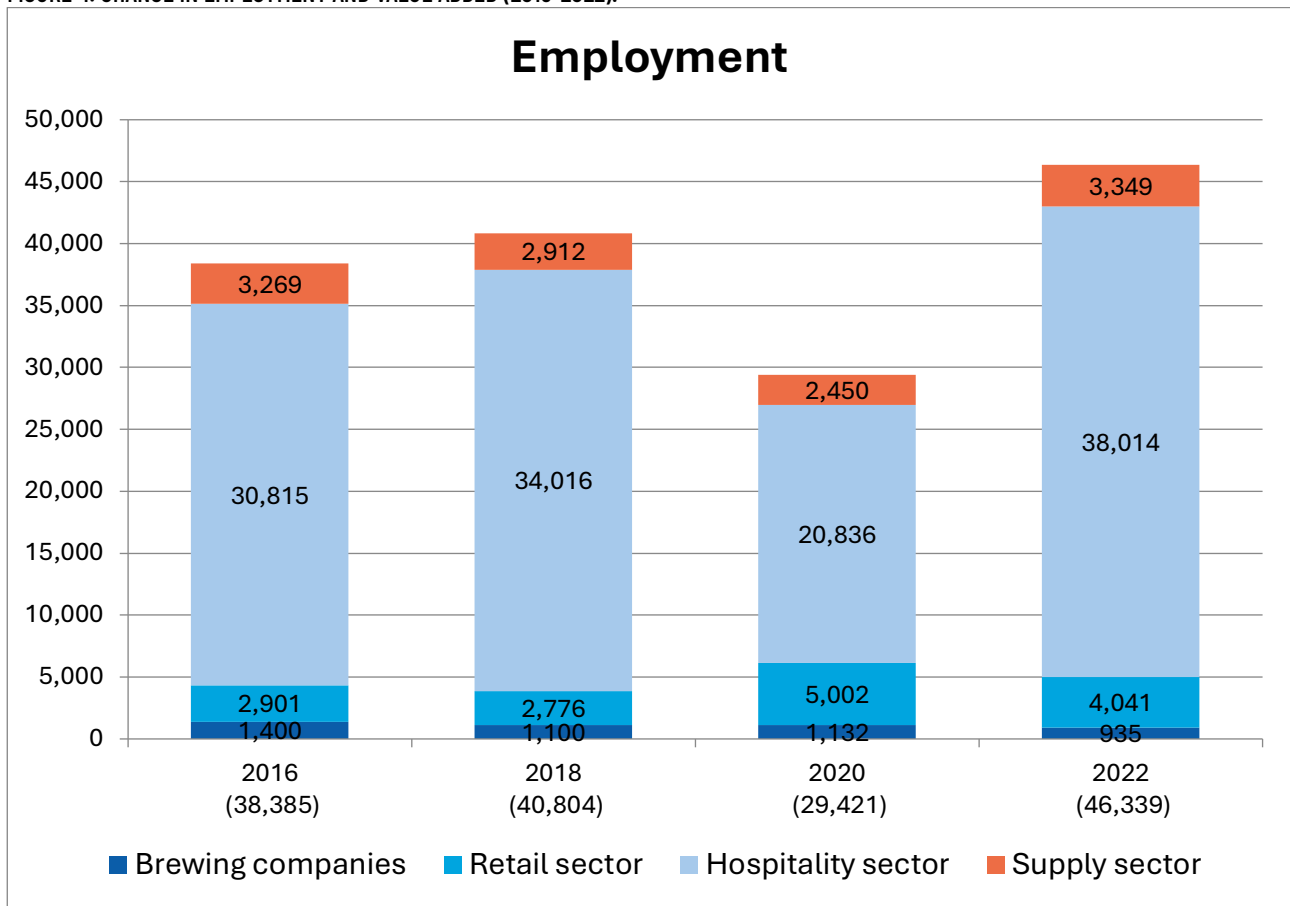
Source: The Brewers of Europe/National Associations

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

The Irish drinks sector is a driving force of economic activity throughout the Island of Ireland. A significant increase in employment attributable to the beer sector has been observed in Ireland over the period of 2014 to 2022. A new high of over 46,000 individuals employed in the beer industry was reported in 2022, with a large jump in the hospitality sector post-pandemic being the main source of this increase.

Despite this major increase in employment, the value added by the beer industry has fallen over the same observed period. After a large dip in 2020, value added is yet to recover to pre-pandemic levels (but is still above its 2016 levels).

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

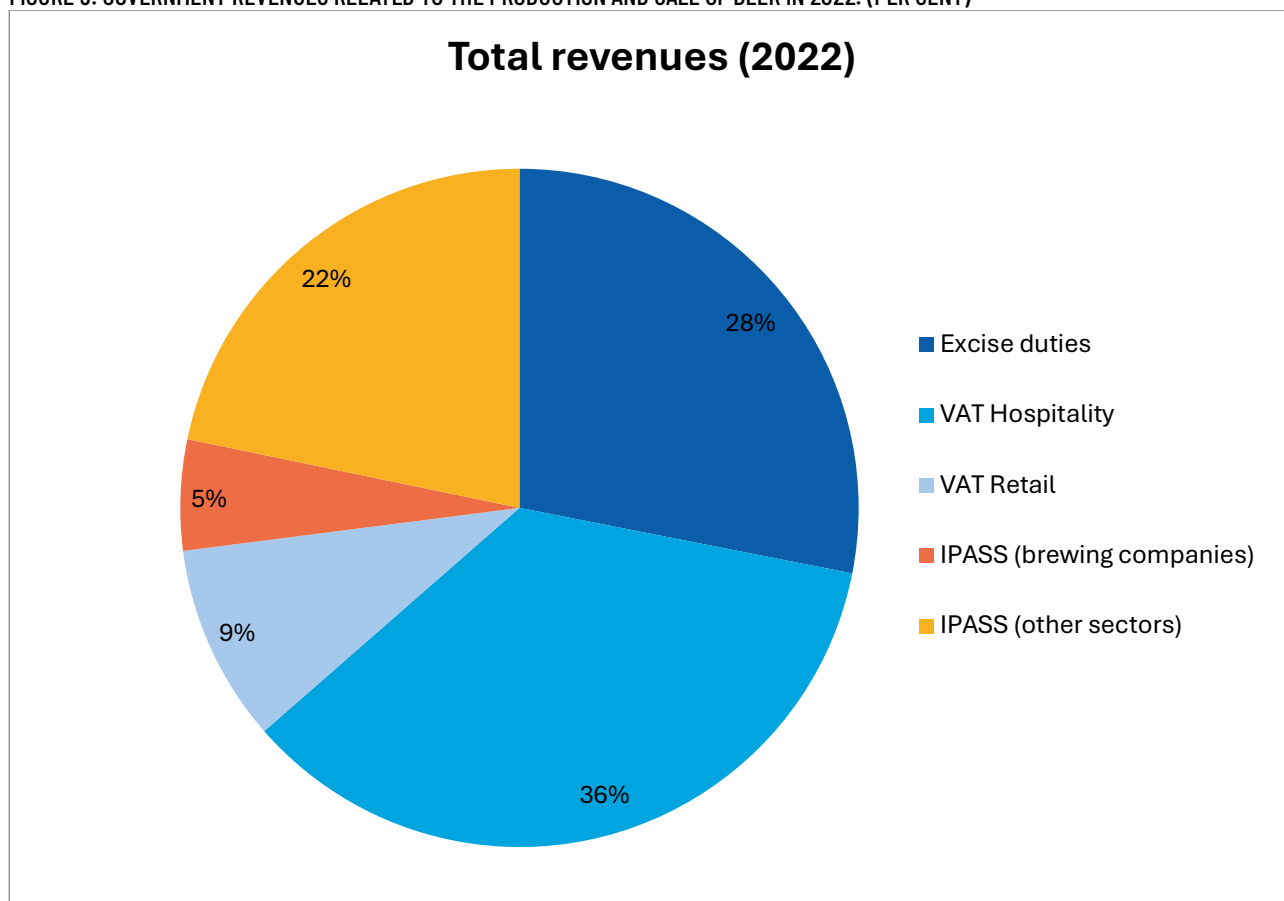


Source: Calculations of this study based on data from The Brewers of Europe, National Associations, Questionnaire to individual breweries, Eurostat, DG Taxud

## 7 GOVERNMENT REVENUES RELATED TO BEER

Total government revenues collected in 2022 have recovered from their all-time low in 2020 and remain consistent with levels from 2016 and 2018. The majority of these revenues come from VAT collected through the hospitality sector as well as excise duties collected. In the past decade, the Irish exchequer has received almost €4 billion in excise receipts from the brewing sector. Irish beer drinkers continue to pay the third highest rate of excise on beer in the EU and UK with 55 cents of excise going to the exchequer on every pint of lager. When excise and VAT are combined, €1.67 of every pint goes to the exchequer.

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 of this study based on data from The Brewers of Europe, National Associations, Questionnaire to individual breweries, Eurostat, DG Taxud

Although excise duties collected have fallen overall between 2016 and 2022, this decrease was supplemented by an increase in VAT from the hospitality sector as well as IPASS pay role taxes collected.

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

	2016	2018	2020	2022
Excise duties	430	430	351	392
VAT Hospitality	464	488	185	495
VAT Retail	115	127	198	131
IPASS (brewing companies)	49	52	53	74
IPASS (other sectors)	296	291	137	303
<b>Total government revenues</b>	<b>1,354</b>	<b>1,388</b>	<b>924</b>	<b>1,393</b>

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

*Source: Calculations of this study based on data from The Brewers of Europe, National Associations, Questionnaire to individual breweries, Eurostat, DG Taxud*