

Malta

1 COUNTRY PROFILE

TABLE 1. COUNTRY PROFILE

	2020	2022
Population	514,564	520,971
Currency	Euro	Euro
GDP per capita in PPS (2012, EU28 = 100)	99	104

Source: Eurostat and National Statistical offices.

2 HIGHLIGHTS MALTA

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

		2016	2018	2020	2022
Total number of jobs	[33.4%]	2,545	3,647	3,467	3,395
Value-added (mEuro)	[55.2%]	35	48	43	55
Government revenues (mEuro)	[40.4%]	28	39	30	39

Source: Calculations - different sources.

The beer sector has had a growing impact on the Maltese economy in recent years, with significant increases to the number of jobs (31 per cent), value added (51 per cent) and government revenues (40 per cent) attributable to the industry over the period 2016 to 2022.

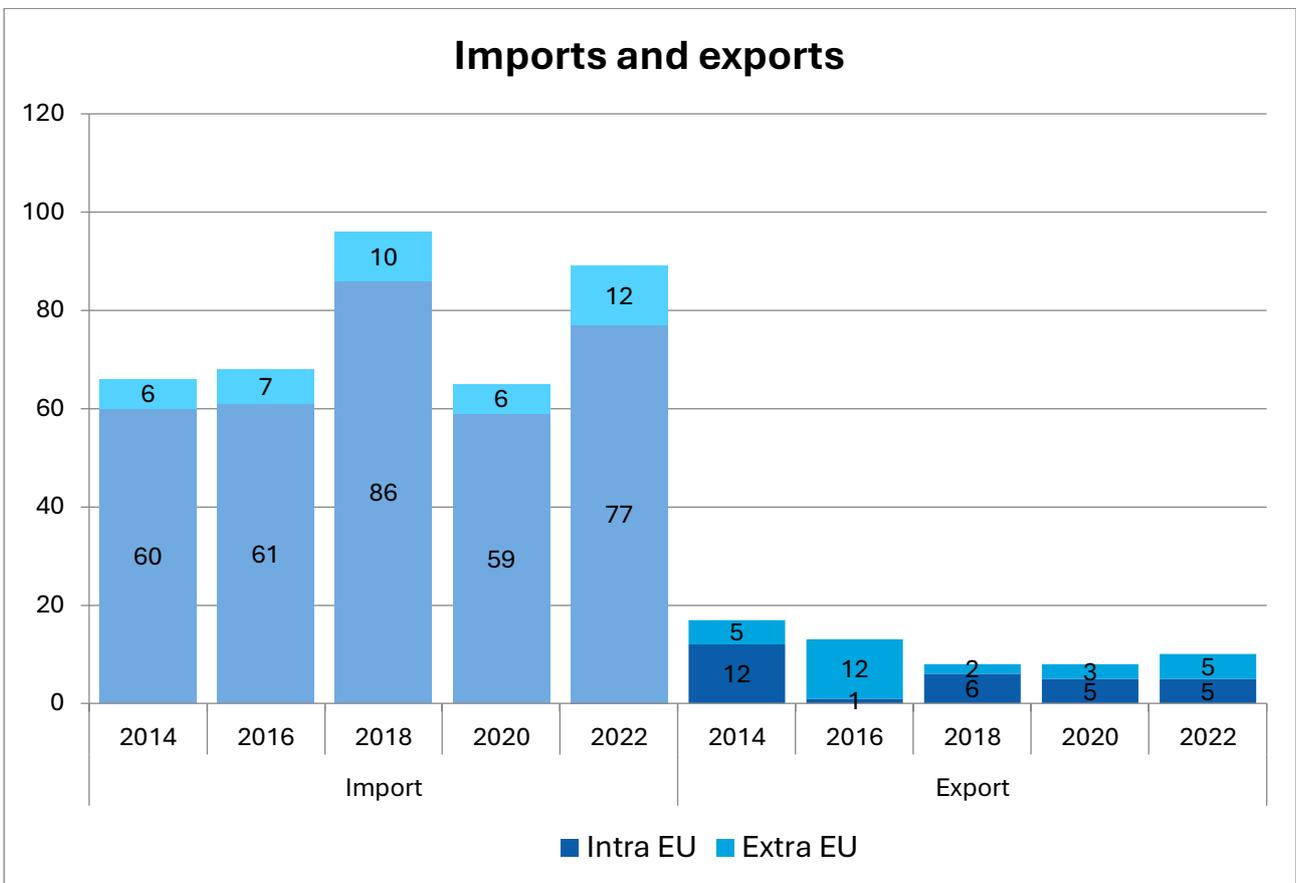
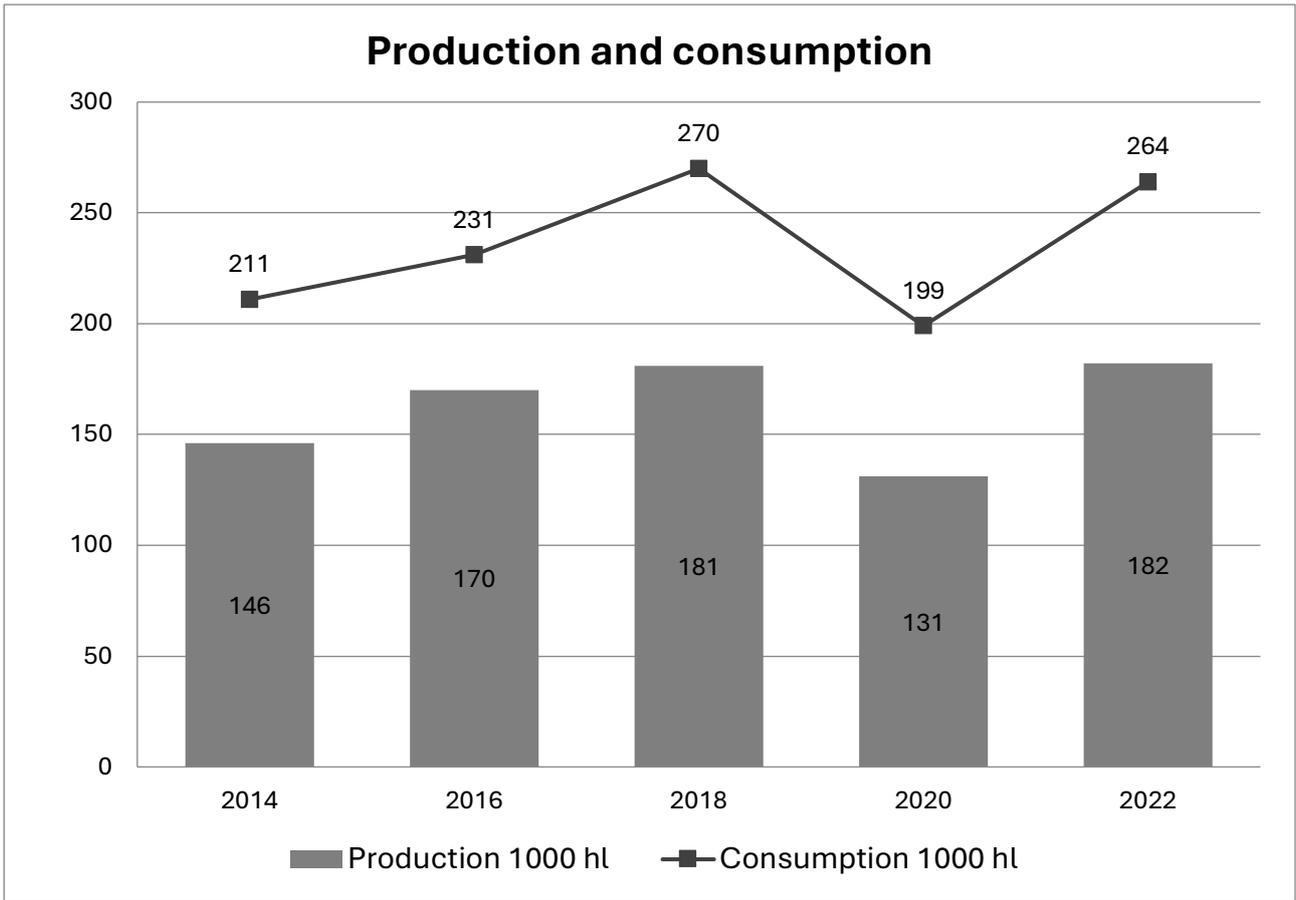
As seen across Europe, the beer sector in Malta was negatively impacted in 2020, with the pandemic limiting international tourism and gatherings of people. From 2014 to 2018 tourist numbers in Malta grew by 28 per cent, before falling by 64 per cent by 2020.¹ This pandemic effect on European beer industries has been particularly strong for countries with significant tourism sectors. This can particularly explain the fall consumption, given the importance of the tourism industry to the Maltese economy and the close link between tourism and beer consumption.

For this reason, the increase in economic contribution of this sector largely occurred before the pandemic. The strong recovery in 2022 indicates that this pre-COVID growth trend may continue in the coming years.

Malta remains a net importer of beer to fill the excess demand beyond the levels of production.

¹ Eurostat: [Arrivals at tourist accommodation establishments](#)

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



Source: National Associations.

3 A SNAPSHOT OF THE BREWING SECTOR

Total production of beer reached a high in 2022 – producing 182,000 hectolitres. There has been very little observed activity in Malta's change in breweries over the period of 2016 to 2022, with production not fluctuating greatly.

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

	2016	2018	2020	2022
Total production (in hectolitres)	170,000	181,000	131,000	182,000
Brewing companies	2	2	2	2
Breweries (including microbreweries)	2	2	2	2
Microbreweries	1	2	2	2

Source: National Associations.

4 LOOKING AT THE BEER MARKET

The trends in consumption have been similar to that of production, with a pre-pandemic growth before a fall in 2020 and a strong recovery by 2022. The levels have not yet hit pre-pandemic highs of 270,000 hectolitres even with the recovery in 2022.

In Malta there has been a gradual shift towards consumption in the retail sector over the pandemic period. Even with this, the share of hospitality consumption remains among the highest in Europe, highlighting the importance of this sector to the beer industry as a whole.

There was a significant price rise from 2016 to 2018 in the hospitality sector; however, unlike much of Europe, price rises have been more limited recently: from 2018 to 2022 the prices of beer in the hospitality and retail sectors rose only by €0.13 and €0.19 respectively.

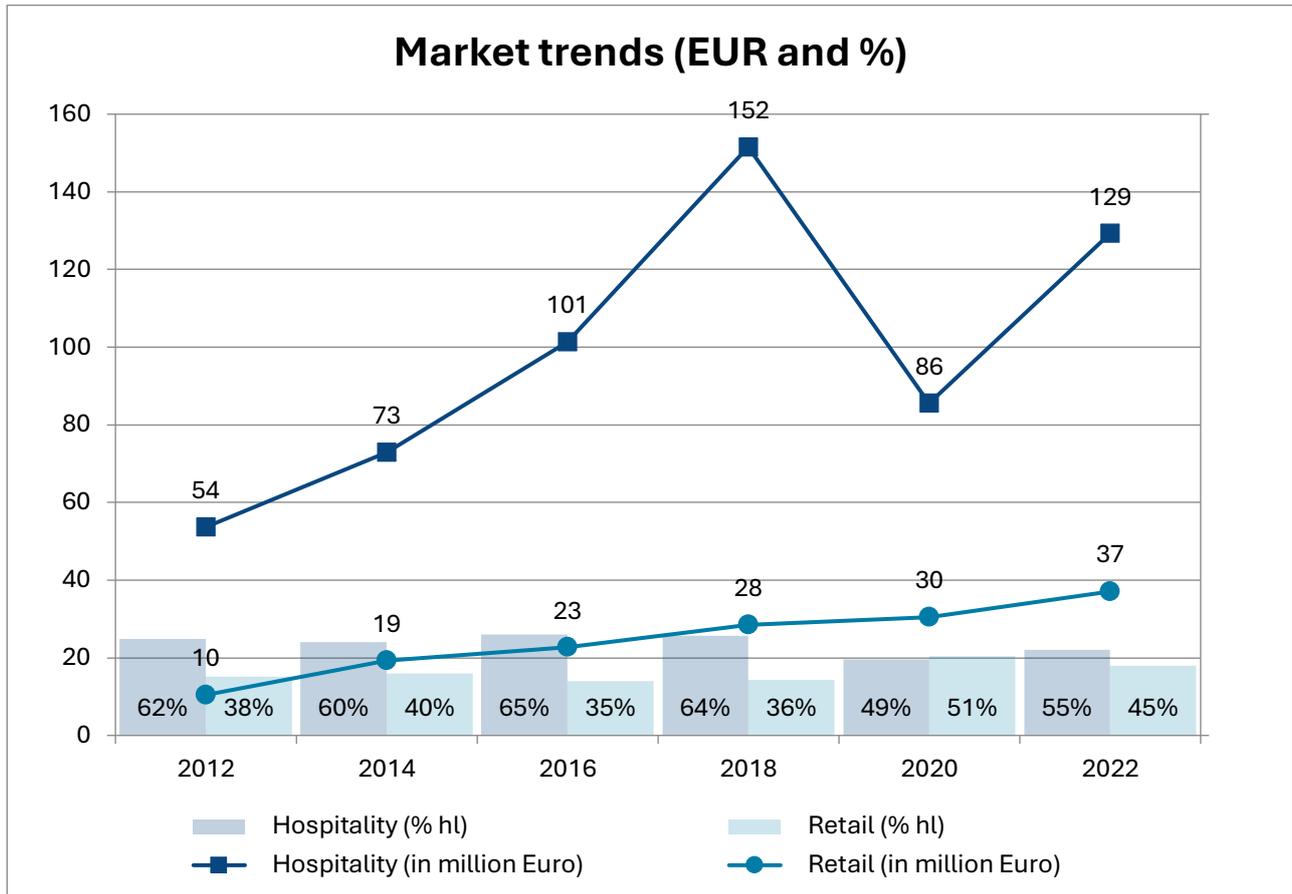
TABLE 4. BASIC CHARACTERISTICS OF THE BEER MARKET (2016-2022)

	2016	2018	2020	2022
Total consumption in hectolitres	231,000	270,000	199,000	264,000
Total consumer spending (in million Euro)	124	180	116	166
Consumption of beer per capita (in litres)	53	55	39	50
Beer consumption hospitality	65%	64%	49%	55%
Beer consumption retail	35%	36%	51%	45%
Consumer price hospitality (€ / litre)*	6.75	8.77	8.77	8.90
Consumer price retail (€ / litre)*	2.80	2.93	3.00	3.12

5 TRENDS AND DEVELOPMENTS

The retail sector has benefitted from the shift away from hospitality in recent years, alongside an overall expansion of the industry, growing by nearly four times from 2014 to 2022. Even with this growth of the retail industry, it remains one third the size of the hospitality sector. While spending in the hospitality sector had not returned to pre-pandemic peaks by 2022, it was significantly up on 2020 levels, at €129m.

FIGURE 2: RECENT CONSUMPTION TRENDS (2012-2022)



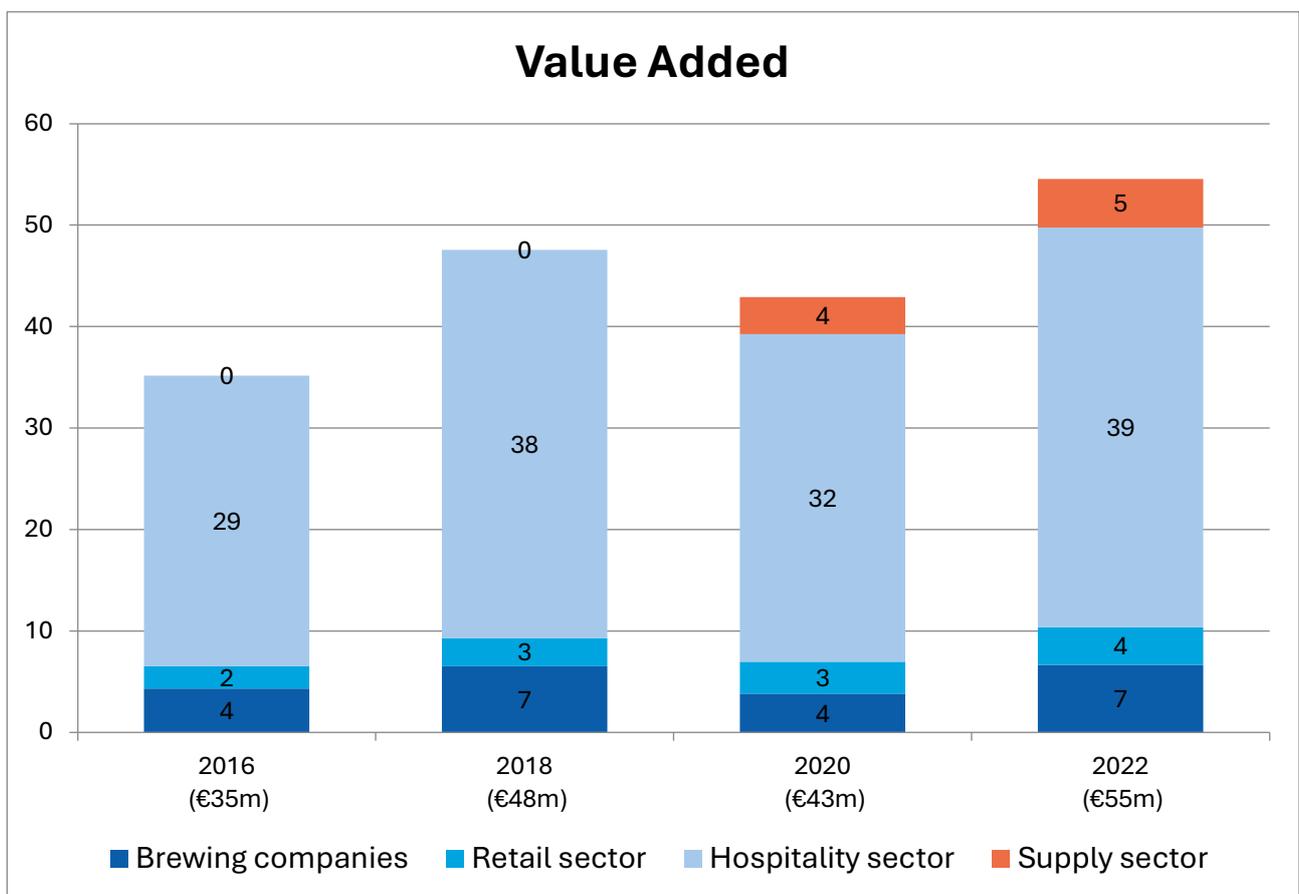
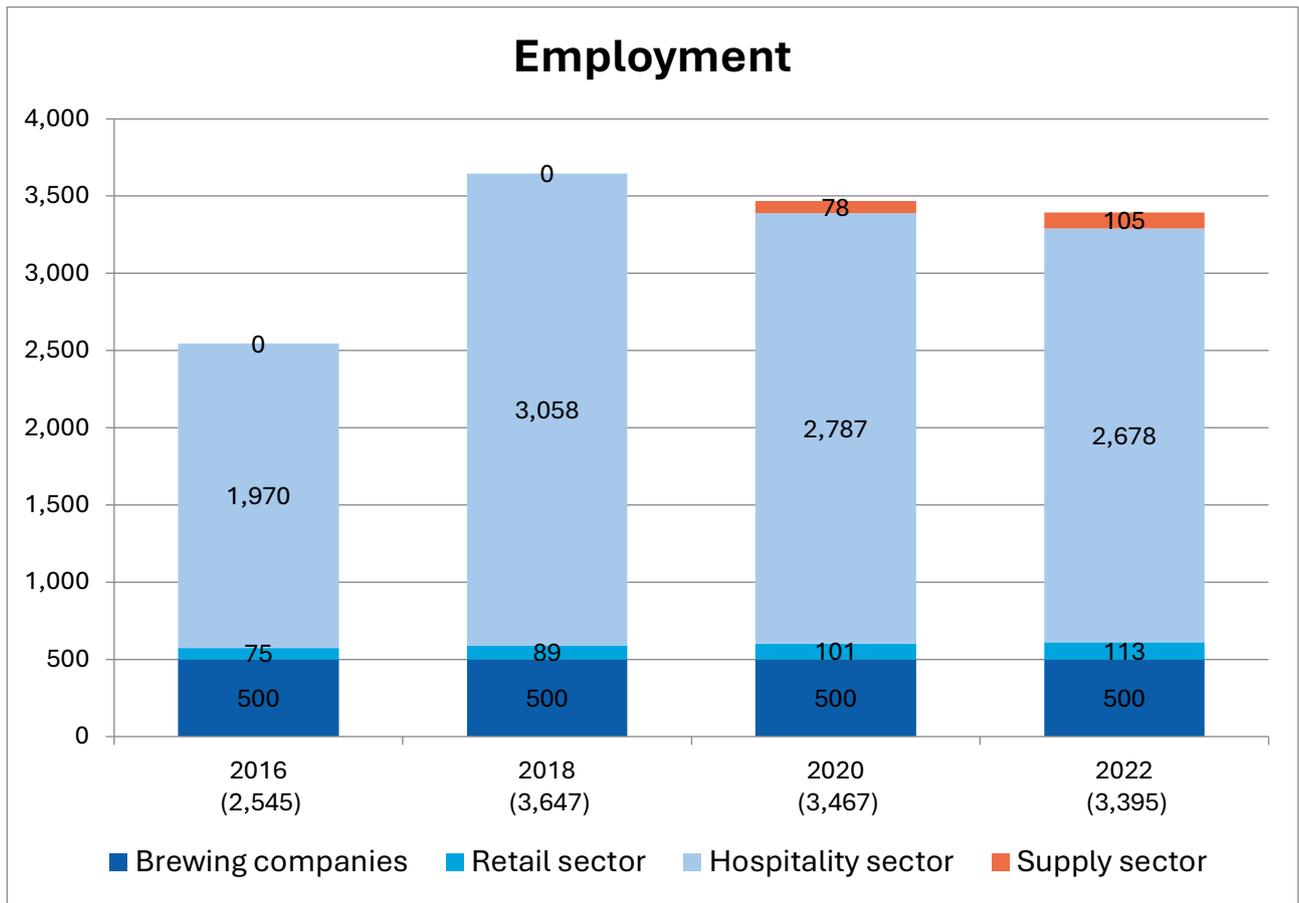
Source: National Associations.

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

The vast majority of employment attributable to the beer industry in Malta occurs within the hospitality sector. Overall employment has seen moderate decline from 2018 to 2022, after a large rise from 2016. There has been some job creation in the supply and retail sectors; however, this job growth has been insufficient to prevent an overall decline in employment in recent years.

A more positive trend has been observed in the value added to the economy, with a high of €55m achieved in 2022. This is again dominated by the hospitality sector, which accounts for more than 70 per cent of total value added by the beer industry.

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

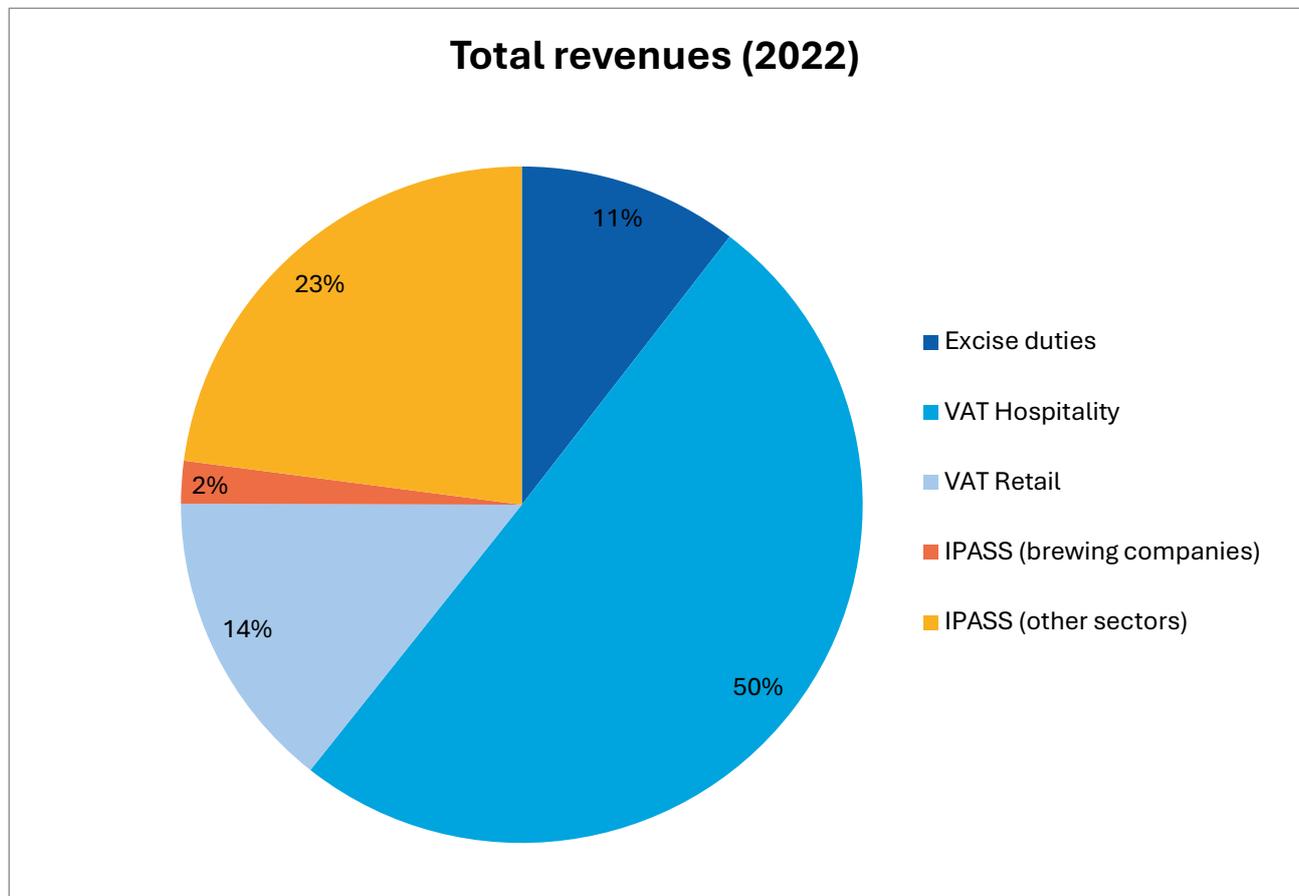


Source: Calculations based on data from Eurostat, National Associations, and the Individual Brewers Questionnaire.

7 GOVERNMENT REVENUES RELATED TO BEER

Government revenues attributable to the beer sector were dominated by VAT from the hospitality sector, which accounts for 50 per cent of total revenues. Revenues from retail VAT have steadily risen since 2016, and this is now the third largest component after IPASS pay roll taxes.

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 economy in Malta contributed €39m to government revenues in 2022. The increase in government revenues between 2016 and 2022 can be attributed mainly to the increase in VAT from the hospitality sector from €15 million in 2016 to €20 million in 2022, as well as the increase in IPASS pay role taxes collected from €5 million in 2016 to €9 million in 2022.

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

	2016	2018	2020	2022
Excise duties	3	4	4	4
VAT Hospitality	15	23	13	20
VAT Retail	3	4	5	6
IPASS (brewing companies)	0	1	0	1
IPASS (other sectors)	5	8	8	9
Total government revenues	28	39	30	39

Note: IPASS - Income, payroll tax and social security

Source: Calculations - different sources.