

Portugal

1 COUNTRY PROFILE

TABLE 1. COUNTRY PROFILE

	2020	2022
Population	10,295,909	10,352,042
Currency	Euro	Euro
GDP per capita in PPS (2012, EU28 = 100)	76	78

Source: Eurostat and National Statistical offices.

2 HIGHLIGHTS PORTUGAL

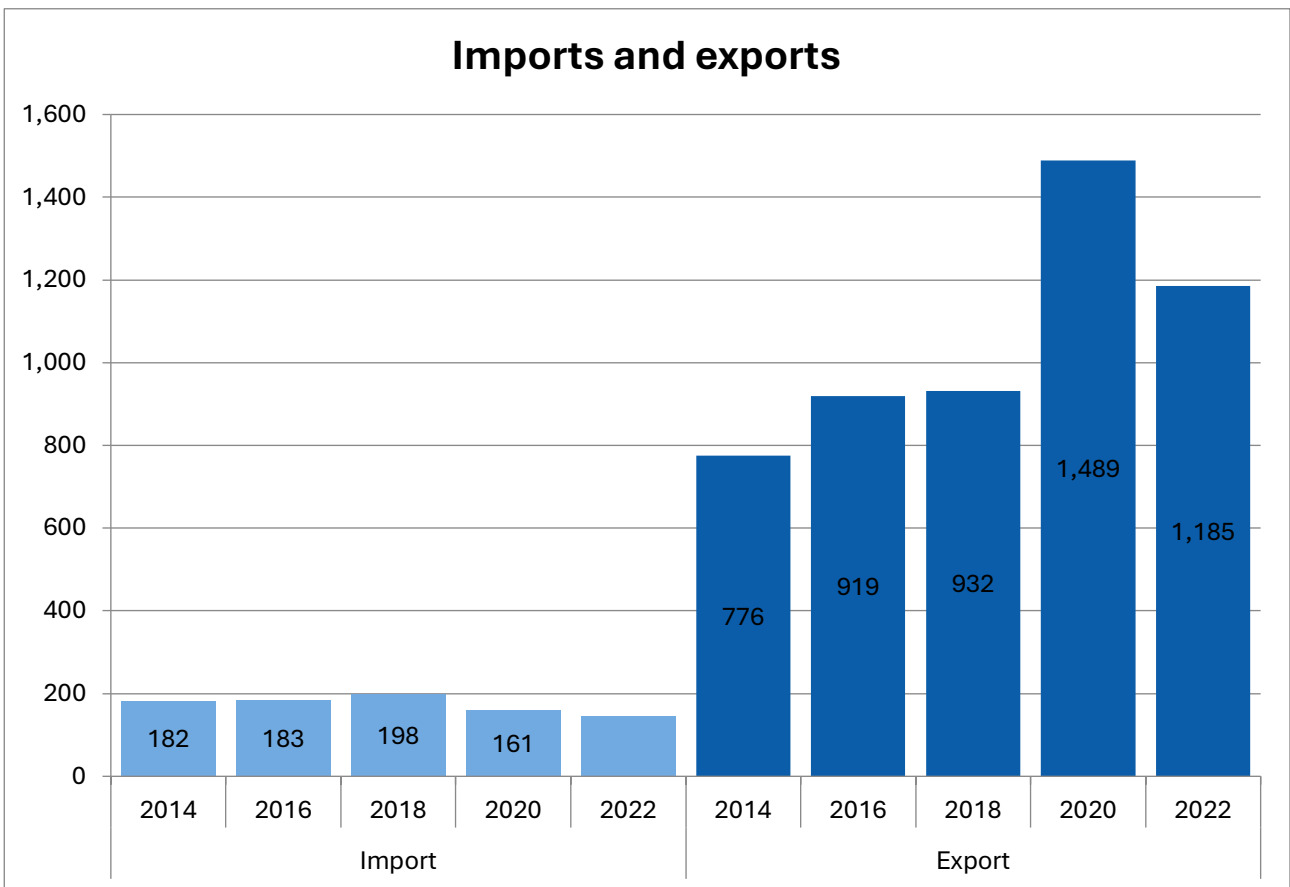
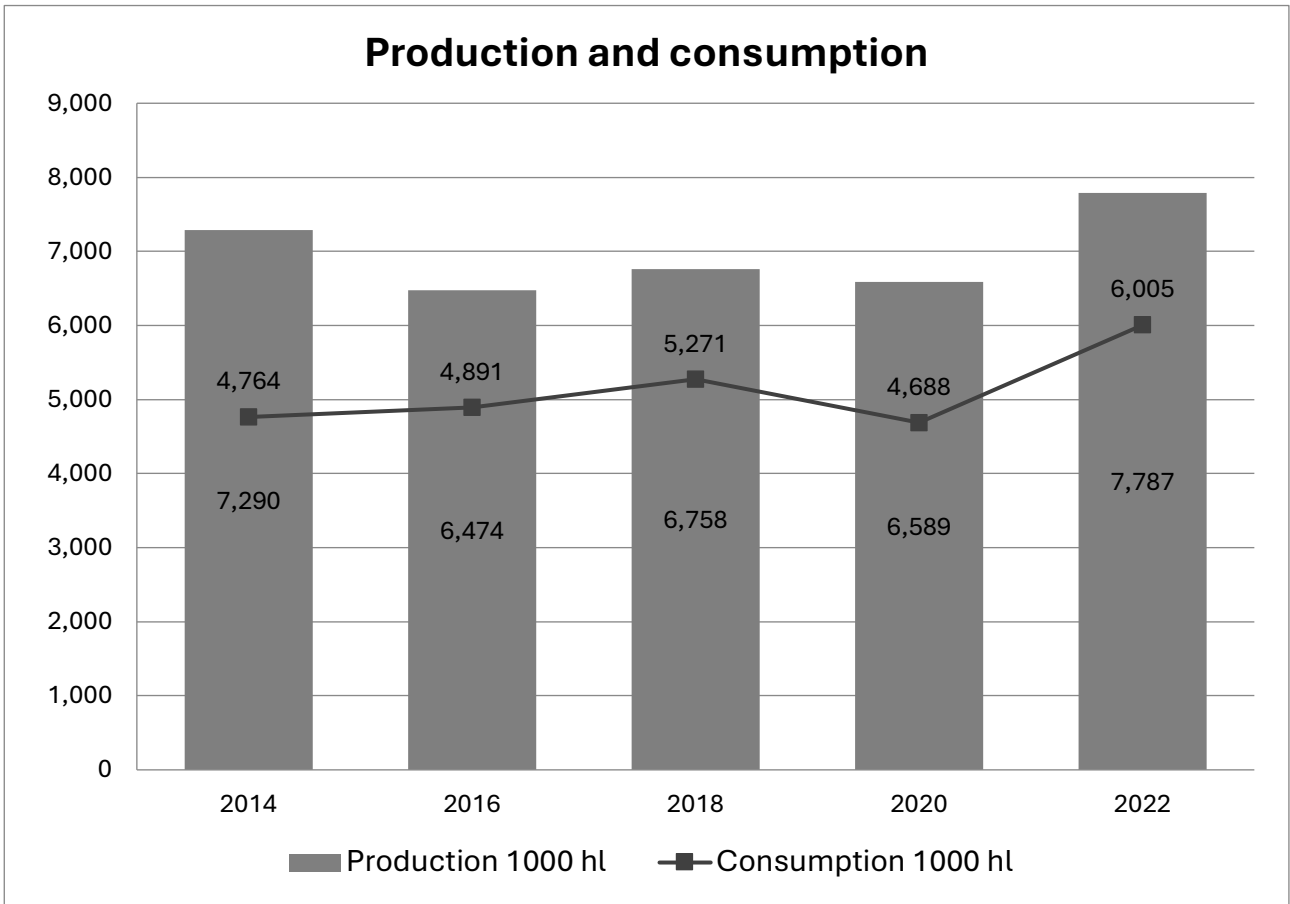
TABLE 2. SUMMARY OF BEER SECTOR'S ECONOMIC IMPACT (AND % CHANGE OVER THE PERIOD 2016-2022)

		2016	2018	2020	2022
Total number of jobs	[17.9%]	83,042	88,625	85,526	97,870
Value-added (mEuro)	[36.6%]	1,198	1,453	1,148	1,636
Government revenues (mEuro)	[39.9%]	816	946	835	1,141

Source: Calculations - different sources.

Portugal produces more beer than it consumes, making it a beer-exporting country. With production at approximately 7.8 million hectolitres in 2022, around 1 million hectolitres are exported to other EU Member States, and another significant portion, albeit reduced from previous levels, is exported outside the EU.

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



Source: National Associations.

3 A SNAPSHOT OF THE BREWING SECTOR

Total production in Portugal grew by over 1 million hectolitres between 2016 and 2022. There has also been a rise in the number of brewing companies and microbreweries. Starting with 94 brewing companies and 89 microbreweries in 2016, these figures were significantly higher in 2018, with microbreweries making up the majority. By 2022, there were 120 brewing companies, of which 105 were microbreweries, reflecting the growth in the craft and speciality beer segment.

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

	2016	2018	2020	2022
Total production (in hectolitres)	6,474,000	6,758,000	6,589,000	7,787,000
Brewing companies	94	120	120	120
Breweries (including microbreweries)	94	120	120	110
Microbreweries	89	115	115	105

Source: National Associations.

4 LOOKING AT THE BEER MARKET

Total beer consumption in Portugal is consistently below national production by approximately 1.5 to 1.7 million hectolitres, with the surplus sold internationally. Per capita consumption remains low, as in a number of other southern European countries. While consumer spending on beer has generally increased, there was a notable decline in 2020. Prices in both the hospitality and retail sectors have seen moderate increases, with the largest increases occurring between 2020 and 2022.

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

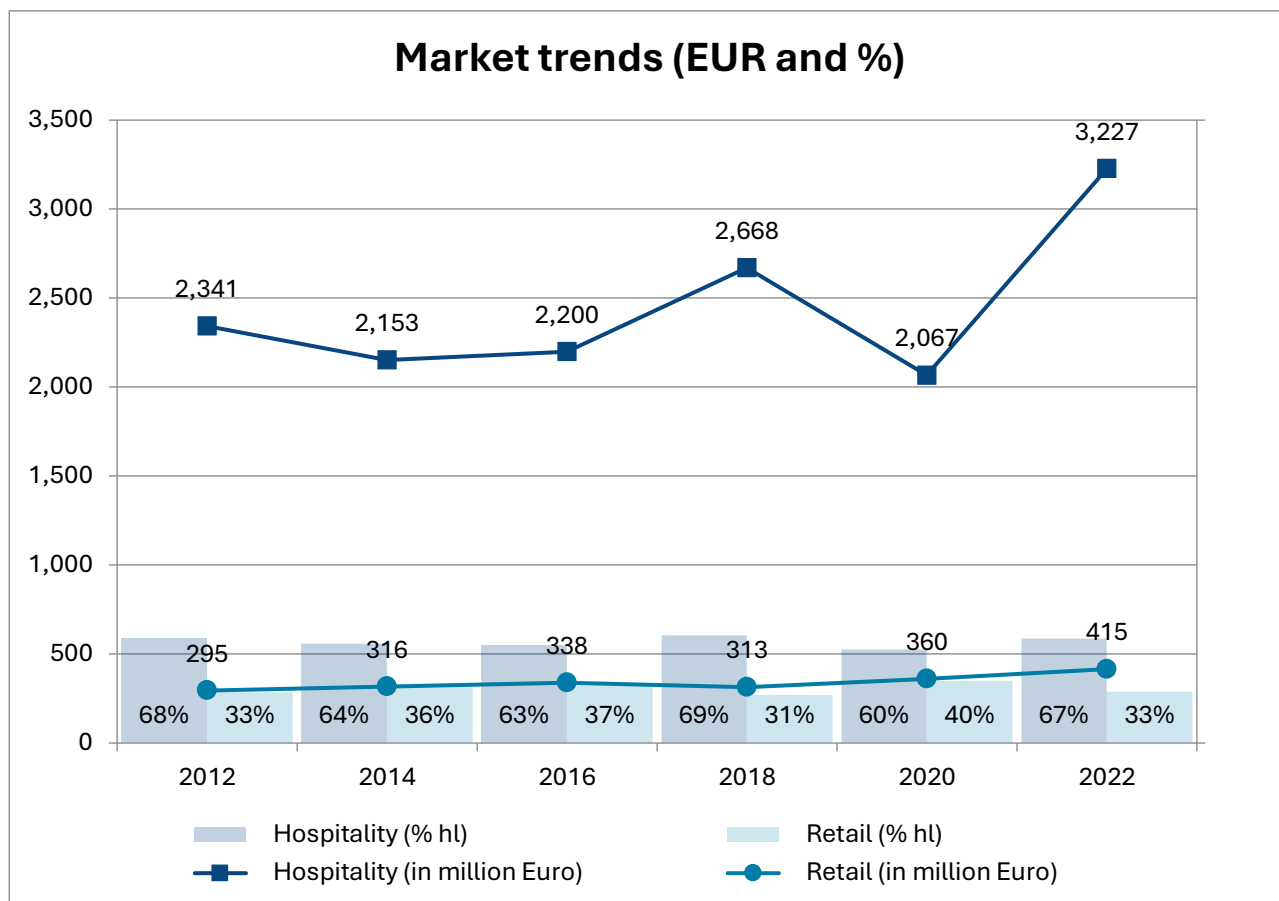
	2016	2018	2020	2022
Total consumption in hectolitres	4,891,000	5,271,000	4,688,000	6,005,000
Total consumer spending (in million Euro)	2,538	2,982	2,427	3,642
Consumption of beer per capita (in litres)	47	51	46	53
Beer consumption hospitality	63%	69%	60%	67%
Beer consumption retail	37%	31%	40%	33%
Consumer price hospitality (€ / litre)*	7.14	7.34	7.35	8.02
Consumer price retail (€ / litre)*	1.87	1.92	1.92	2.10

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

5 TRENDS AND DEVELOPMENTS

Despite the price difference between beer in on-trade and off-trade markets, most consumption occurs in hospitality venues, with 67% of beer being consumed there in 2022, compared to 63% in 2016. However, there was a drop in 2020, due to the pandemic, which reduced hospitality consumption to 60%. Total spending in retail markets has remained relatively low and constant, while spending in the hospitality sector has seen significant growth, with a notable shift in 2022. This trend highlights a strong preference for on-premise consumption despite higher prices.

FIGURE 2: RECENT CONSUMPTION TRENDS (2012-2022)



Source: National Associations.

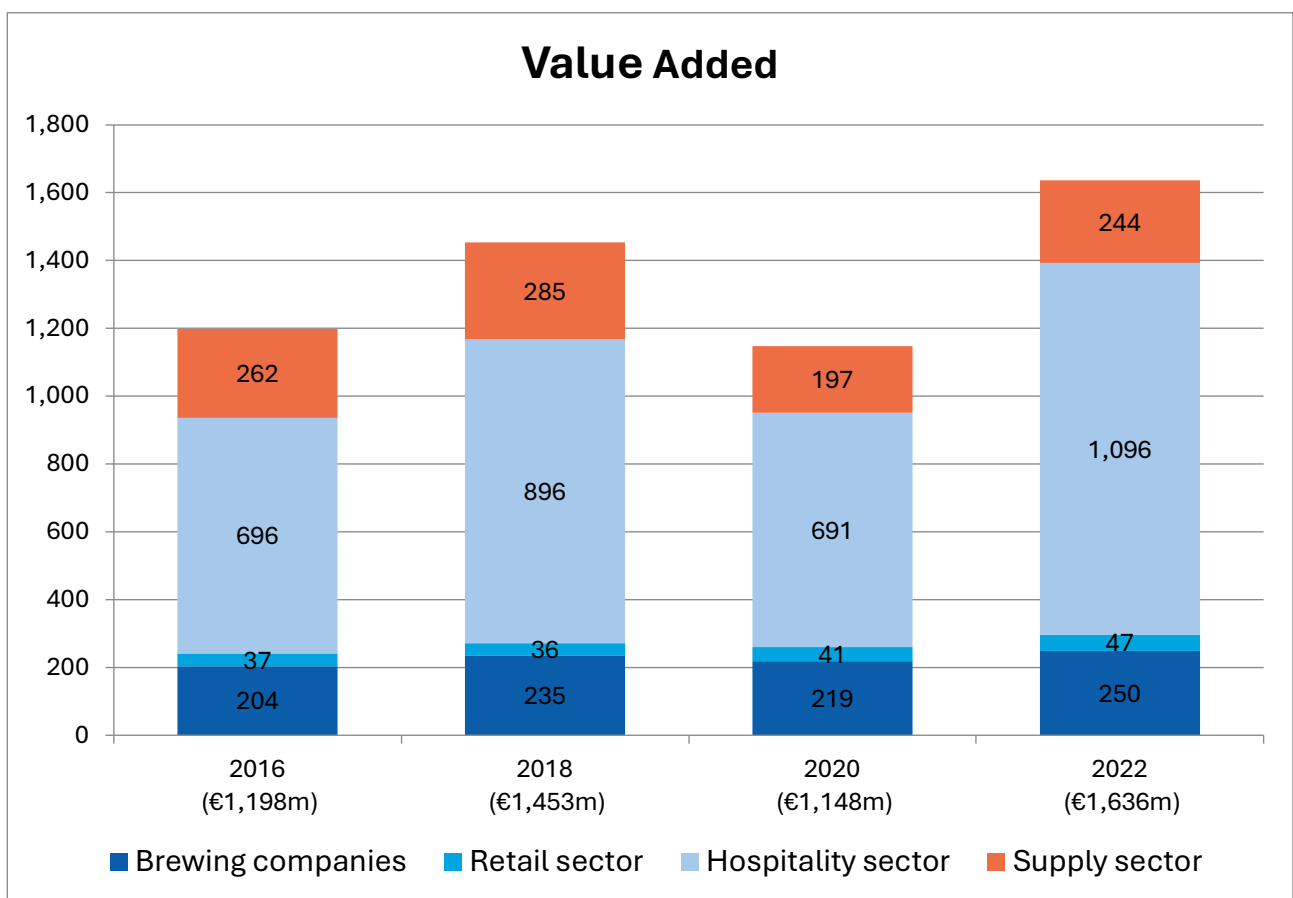
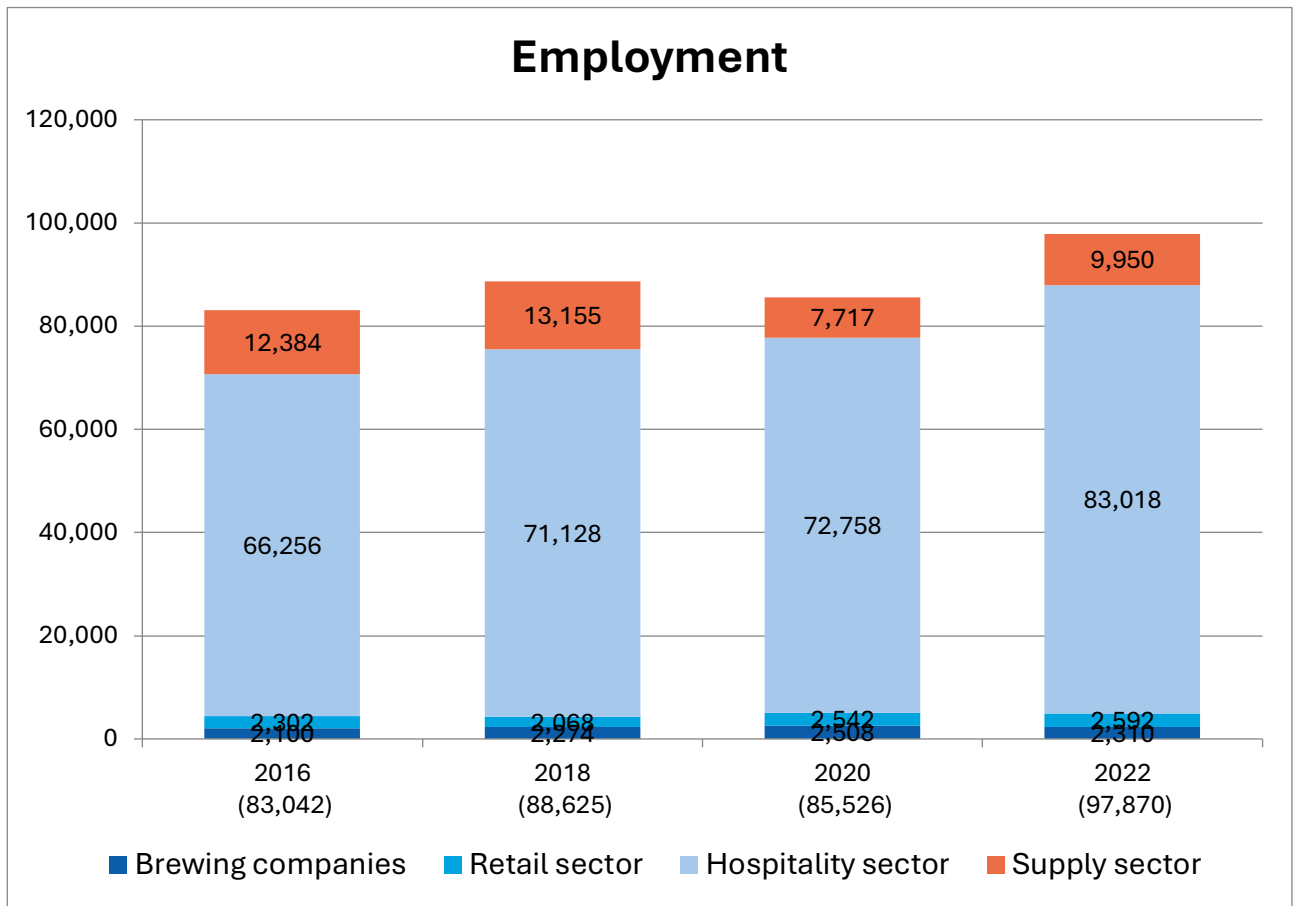
In terms of agricultural raw materials, the agricultural sector made up around 15% to 20% of the supply sector in 2020 and 2022, with domestic agriculture contributing about 50% of this.

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

Employment attributable to the beer sector in Portugal is heavily concentrated in the on-trade (hospitality) sector, reflecting its high and rising share in overall employment due to the sector's labour intensity. In 2020, employment in the hospitality sector remained high, displaying resilience to the pandemic. Furthermore, the overall value of the trade has increased, leading to a rise in beer-related employment in the retail sector as well.

The pattern in value added mirrors employment, dominated by the on-trade sector. The brewing and supply sectors hold similar shares, while the retail sector contributes a smaller portion to the total value added.

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

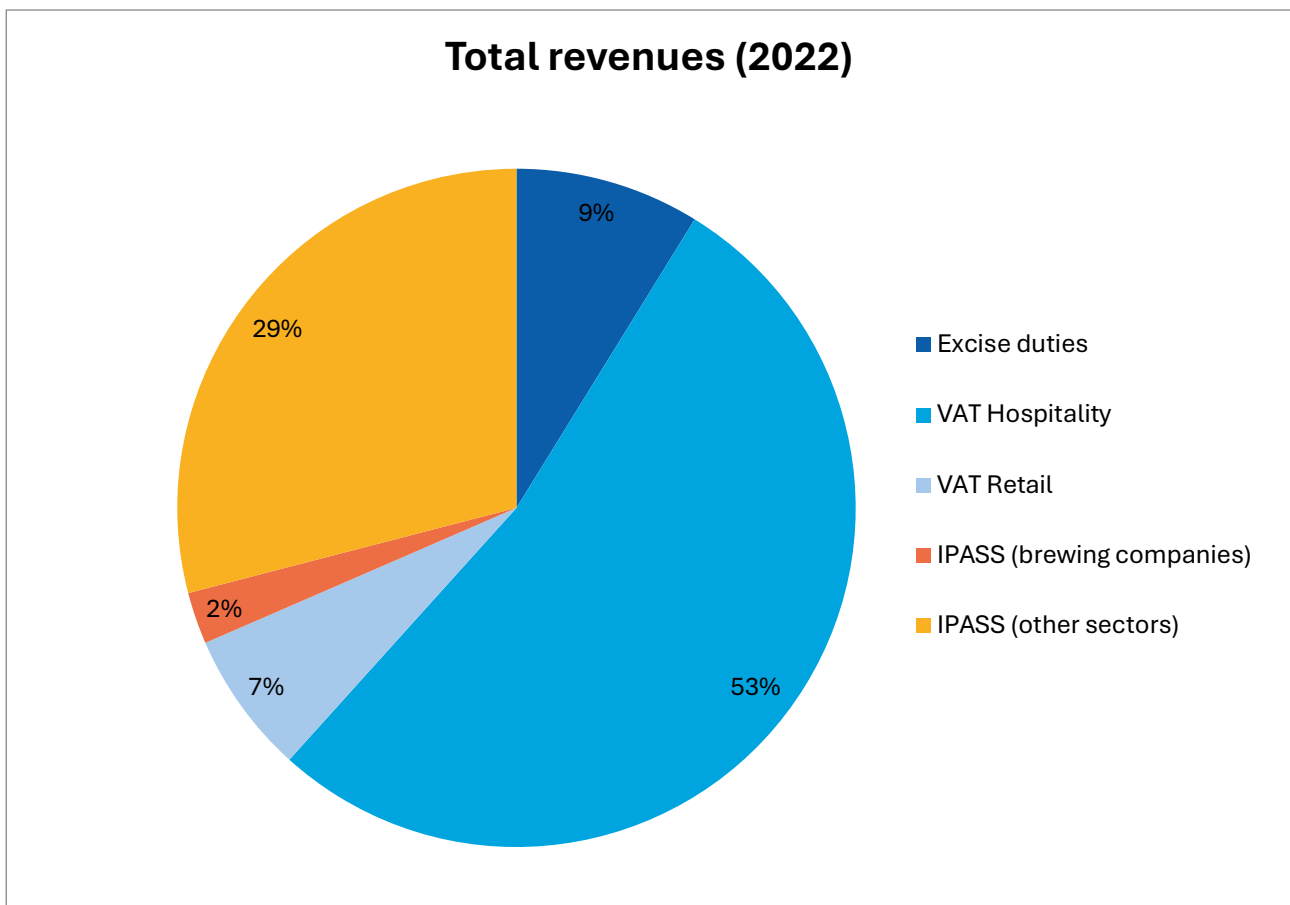


Source: Calculations based on data from Eurostat, National Associations, and the Individual Brewers Questionnaire.

7 GOVERNMENT REVENUES RELATED TO BEER

The largest contribution to government revenues relates to VAT in the on-trade. This reflects both the high VAT rate, relative to the excise duty rate, and the high share for on-trade consumption.

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.

Over one billion Euros in total government revenues can be attributed to the beer sector. This significant increase from the 2016 figures is mainly due to changes in contributions from Hospitality VAT and the IPASS contributions from other sectors. By 2022, total government revenues reached 1.141 billion Euros, reflecting the growing economic importance of the beer sector.

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

	2016	2018	2020	2022
Excise duties	75	88	78	101
VAT Hospitality	411	499	387	603
VAT Retail	63	59	67	78
IPASS (brewing companies)	26	24	26	28
IPASS (other sectors)	240	276	277	331
Total government revenues	816	946	835	1,141

Note: IPASS - Income, payroll tax and social security

Source: Calculations - different sources.

Between 2020 and 2022, the beer industry made significant investments in supporting local communities through cultural events, charitable donations, and employee volunteering, often under sustainability programs like Brew a Better World. Additionally, ongoing CAPEX investments demonstrate the industry's commitment to fostering local economic growth and enhancing community well-being.