Slovenia

1 COUNTRY PROFILE

TABLE 1. COUNTRY PROFILE

	2020	2022
Population	2,095,861	2,107,180
Currency	Euro	Euro
GDP per capita in PPS (2012, EU28 = 100)	89	90

Source: Eurostat and National Statistical offices.

2 HIGHLIGHTS SLOVENIA

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

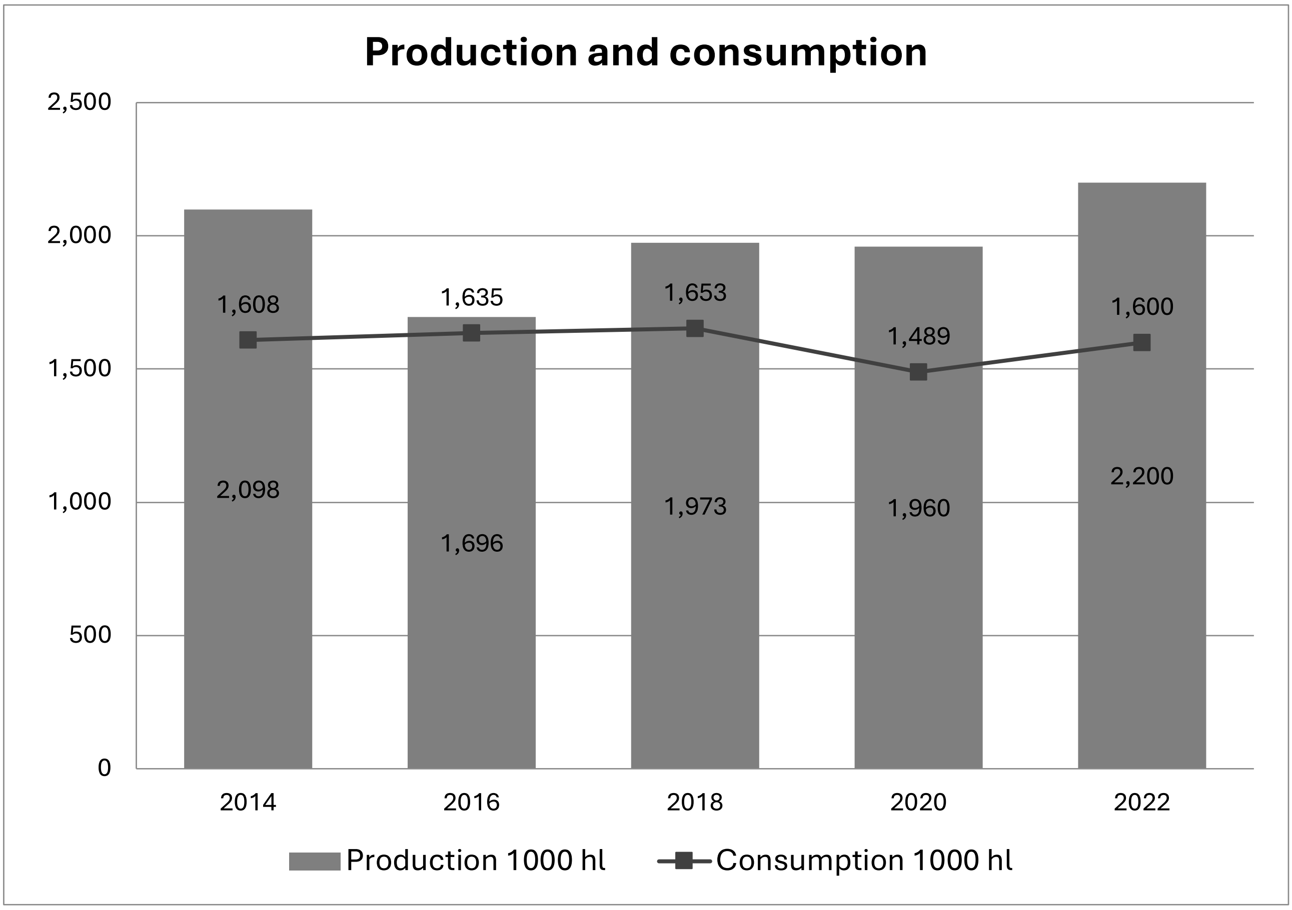
		2016	2018	2020	2022
Total number of jobs	[-12.8%]	11,268	9,326	9,850	9,822
Value-added (mEuro)	[-1.7%]	202	161	182	199
Government revenues (mEuro)	[2.5%]	227	216	210	232

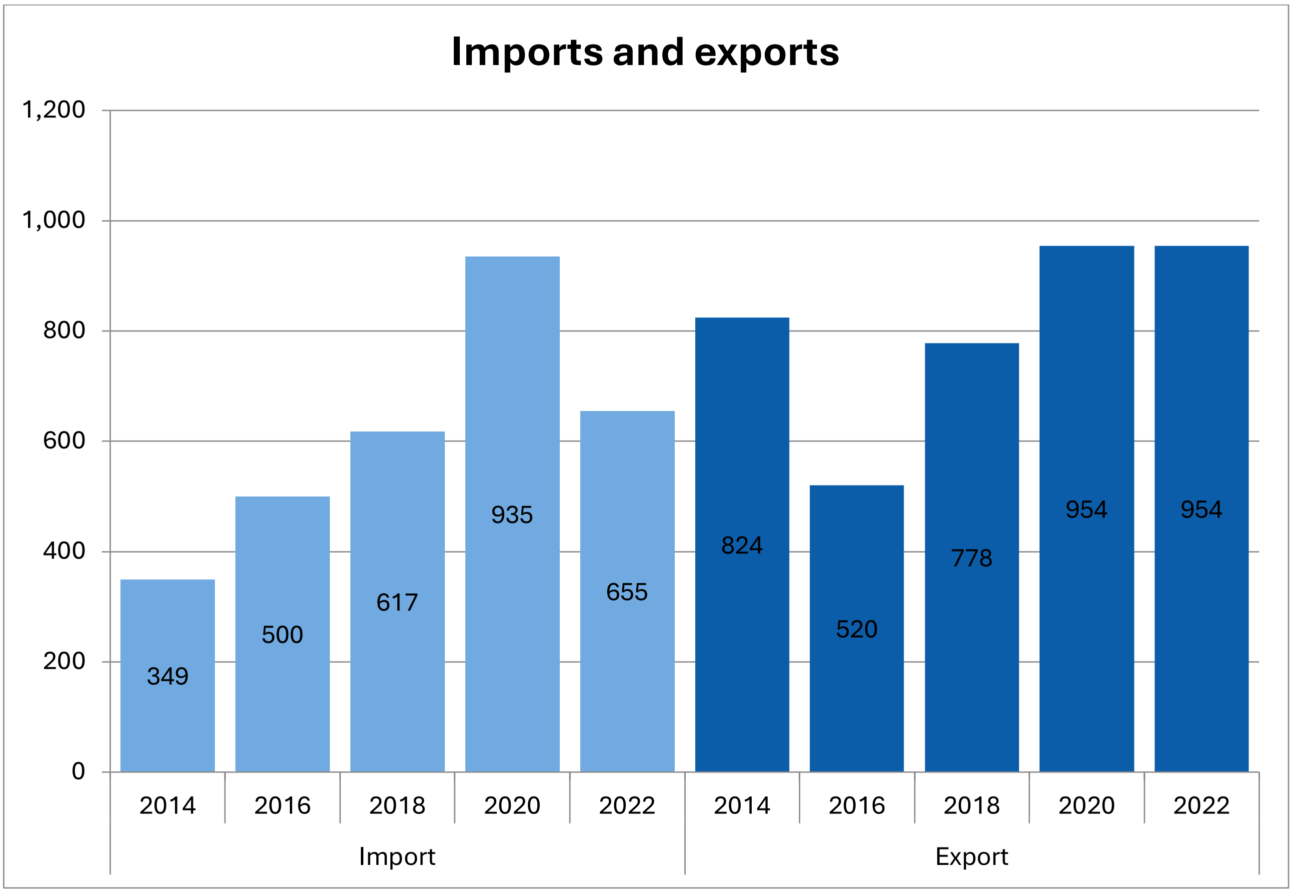
Source: Calculations - different sources.

With production reaching 2.2 million hectolitres, 2022 has been the first year when Slovenia's beer production surpassed the previous high of 2.1 million hectolitres in 2014. Consumption has remained relatively steady, with slight variations around the 1,600 thousand hectolitres mark.

Beer imports have increased steadily from 2014 to 2020, consistent with a growing demand for a wider variety of beers in the Slovenian market. There was a slight drop in 2022. On the export front, there was a decline until 2016, followed by a significant increase in the last few years, with 2020 and 2022 reaching higher levels. This data highlights a resilient production sector, a stable domestic consumption, and a dynamic trade environment responding to both internal and external market demands.

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





Source: National Associations.

3 A SNAPSHOT OF THE BREWING SECTOR

Total production of beer in Slovenia experienced scale increases between 2016 and 2022, reaching a high of 2.2 million hectolitres in 2022. The number of breweries, including microbreweries, increased from 62 in 2016 to a peak of 106 in 2020, before slightly declining to 99 in 2022. The entry of numerous microbreweries contributed to this growth, although some smaller breweries have closed in recent years.

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

	2016	2018	2020	2022
Total production (in hectolitres)	1,696,000	1,973,000	1,960,000	2,200,000
Brewing companies	61	91	106	99
Breweries (including microbreweries)	62	91	106	99
Microbreweries	60	90	104	98

Source: National Associations.

4 LOOKING AT THE BEER MARKET

Total consumption of beer in Slovenia has remained relatively stable from 2016 to 2022, ending at 1.6 million hectolitres in 2022. Despite this stability, consumer preferences have shifted towards craft and low-alcohol beers, and non-alcoholic beer has become increasingly popular. Per capita consumption remained steady around 76 litres in 2022. The prices of beer in the retail and hospitality sectors have diverged significantly. The price of beer in hospitality settings rose sharply to €6.44 per litre in 2022, while retail prices remained relatively stable, supporting the trend of consumers favouring home consumption. The proportion of beer consumed in hospitality venues decreased from 40% in 2016 to 33% in 2022, with rising retail consumption. This is likely due to the increase in hospitality price relative to retail, alongside a general pandemic-led shift towards retail seen across Europe.

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

	2016	2018	2020	2022
Total consumption in hectolitres	1,635,000	1,653,000	1,489,000	1,600,000
Total consumer spending (in million Euro)	568	513	445	547
Consumption of beer per capita (in litres)	79	80	71	76
Beer consumption hospitality	40%	35%	30%	33%
Beer consumption retail	60%	65%	70%	67%
Consumer price hospitality (€ / litre)*	5.72	5.58	5.86	6.44
Consumer price retail (€ / litre)*	1.98	1.77	1.76	1.93

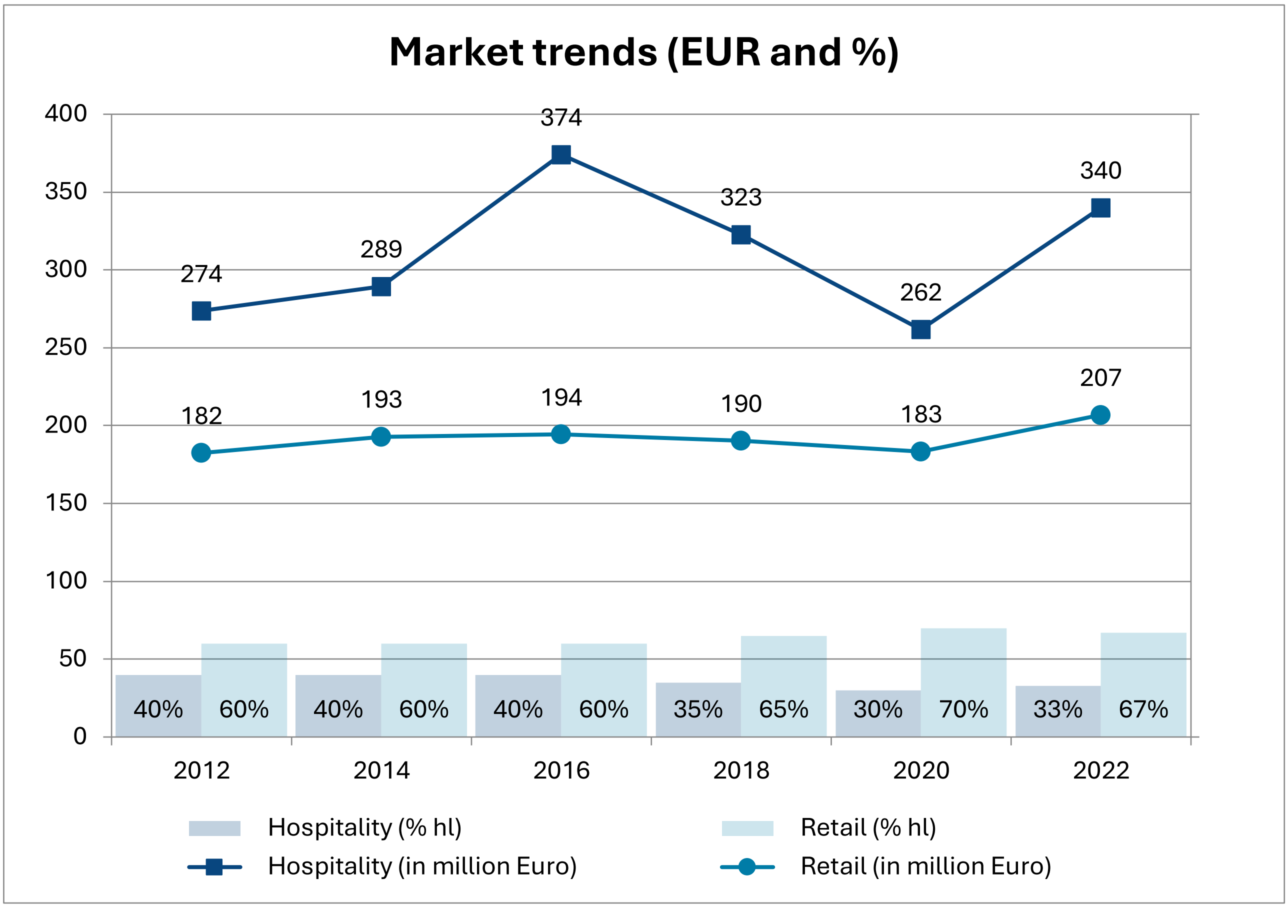
*Source: National Associations. Note: * Prices are averages inclusive of taxes and duties.*

5 TRENDS AND DEVELOPMENTS

Beer consumption in the hospitality sector experienced a decline in value from 2016 to 2020, but significantly recovered in 2022, reaching 321 million Euros. The retail sector followed a similar but more stable trajectory, reaching 241 million Euros in 2022. Mirroring broader European trends, there is a growing preference for consuming beer at home rather than in public venues. However, with the rise in price of beer in the hospitality sector, this sector has seen growth in the value of sales notwithstanding the decline in the share of consumption relative to retail.

Additionally, the Slovenian beer industry has seen a booming craft beer market, highlighting the dynamic nature of the market. Efforts have been made to maintain improvements in responsible drinking and increase awareness among production partners upstream in the supply chain.

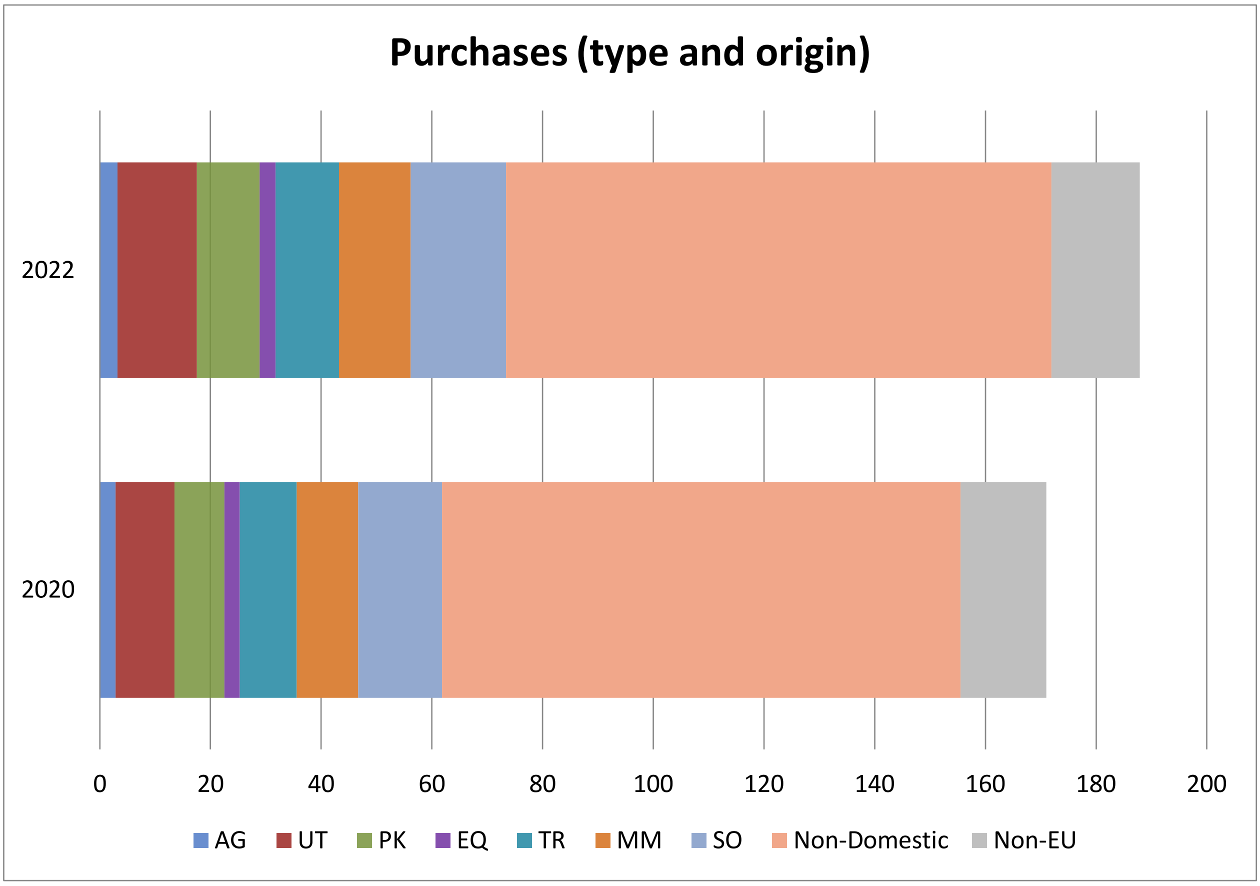
FIGURE 2: RECENT CONSUMPTION TRENDS (2012-2022)



Source: National Associations and Europe Economics calculations.

The Slovenian beer industry contributes to the development of domestic supply sectors but relies significantly on inputs purchased abroad (close to 50 per cent of purchases are non-domestic). Additionally, unlike most Member States, there is a notable portion of purchases external to the EU. The Slovenian beer sector saw a notable increase in total purchases from 2020 to 2022, driven by rises across multiple sectors, likely due to the rise in production across this period.

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.

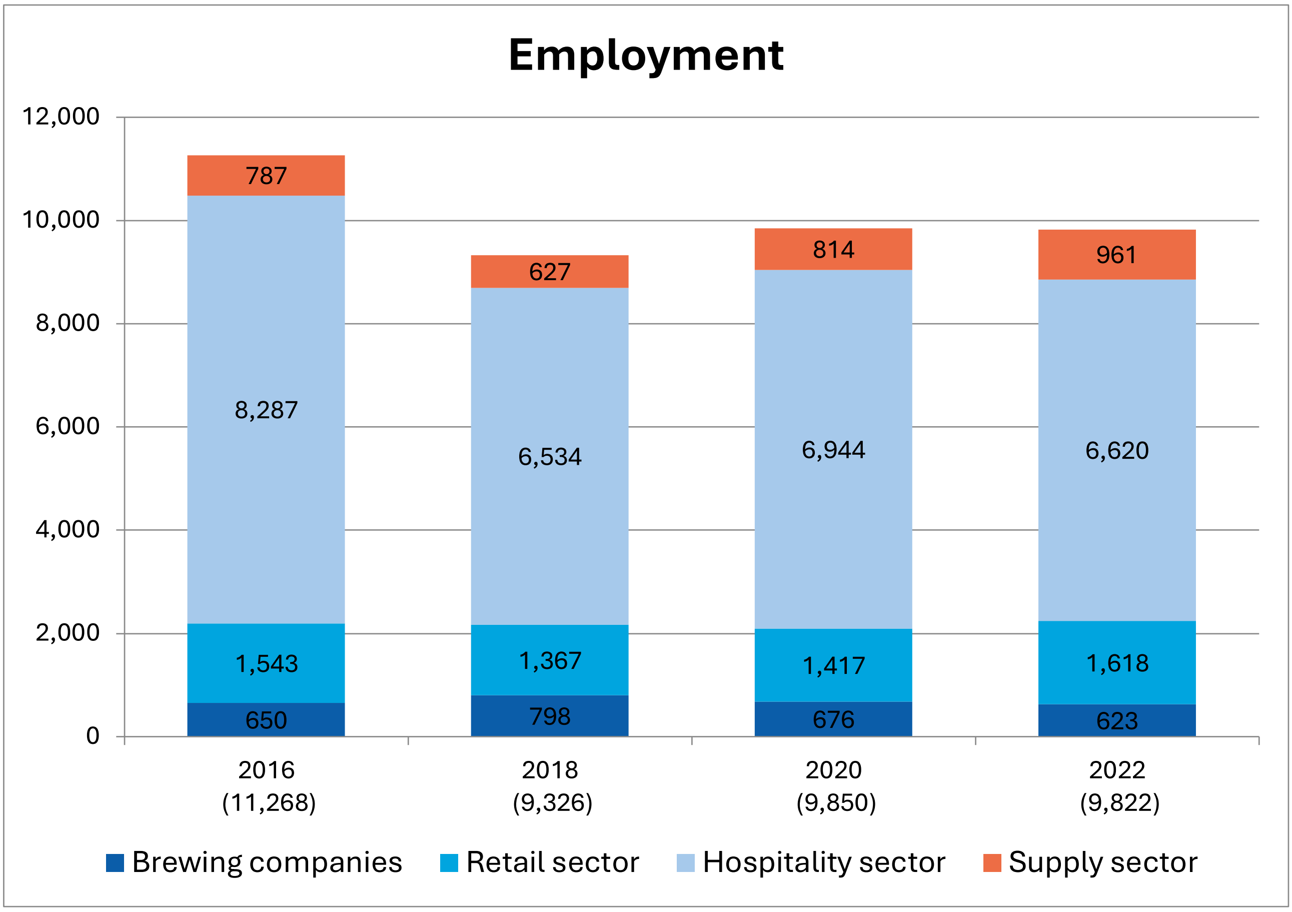
Source: Calculations based on data from Eurostat, and the Individual Brewers Questionnaire.

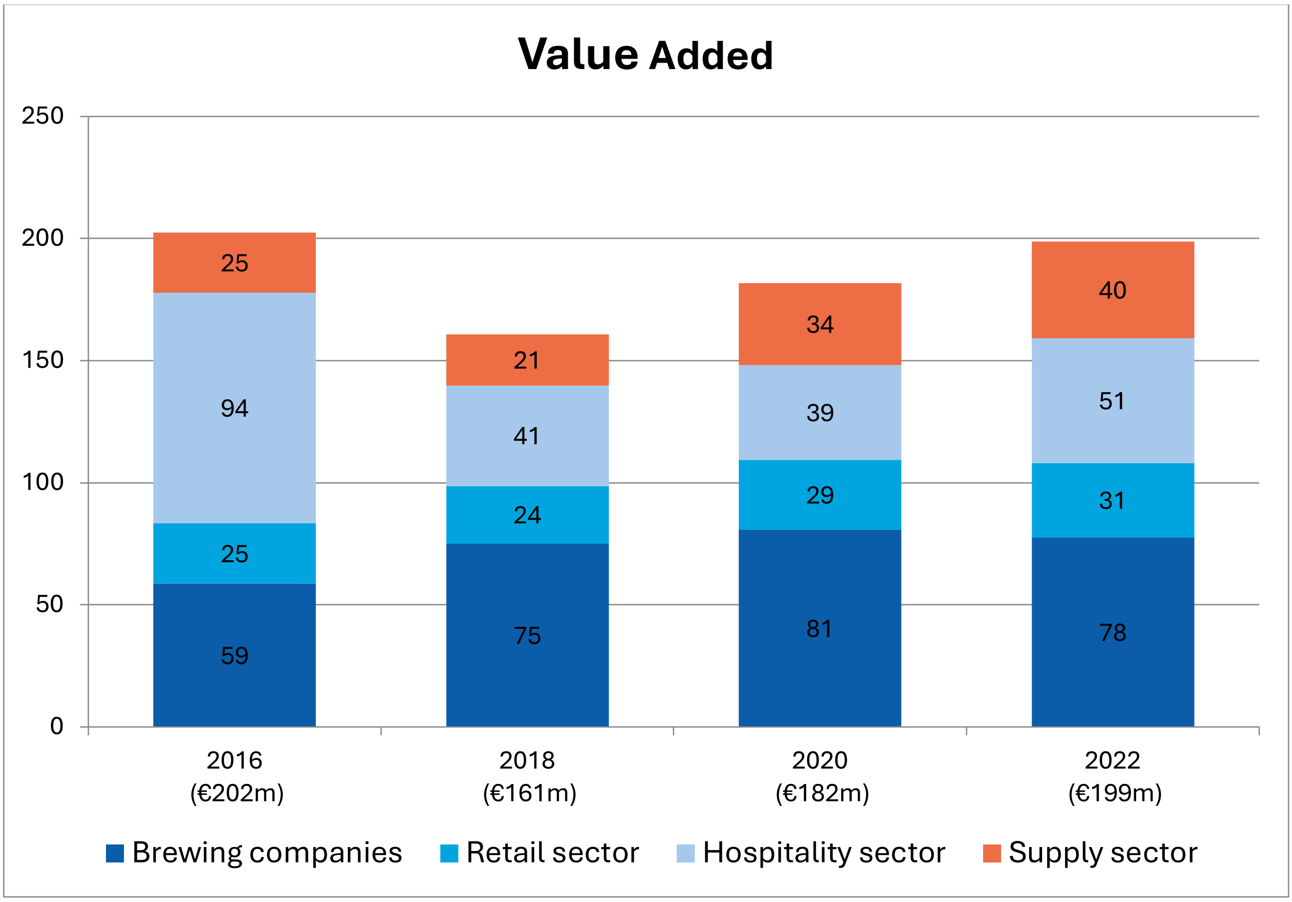
6 THE IMPACTS BEYOND THE SECTOR: RELATED JOBS AND VALUE ADDED

Both employment and value added in the Slovenian beer industry are concentrated in the hospitality sector, which, despite a slight decrease since 2016, remains significant. As of 2022, the hospitality sector accounts for more than 6620 jobs, indicating the sizable impact of this sector on overall employment.

The value added by brewing companies has increased over the years, reaching €78 million in 2022, up from € 59 million in 2016. Even though the brewing sector only made up 6 per cent of total employment in 2022, it accounted for 39 per cent of value added. While brewing companies generate the highest value added, hospitality also contributes significantly. This highlights the critical role of both the hospitality sector and brewing companies in sustaining the economic value and employment within the Slovenian beer industry.

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





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

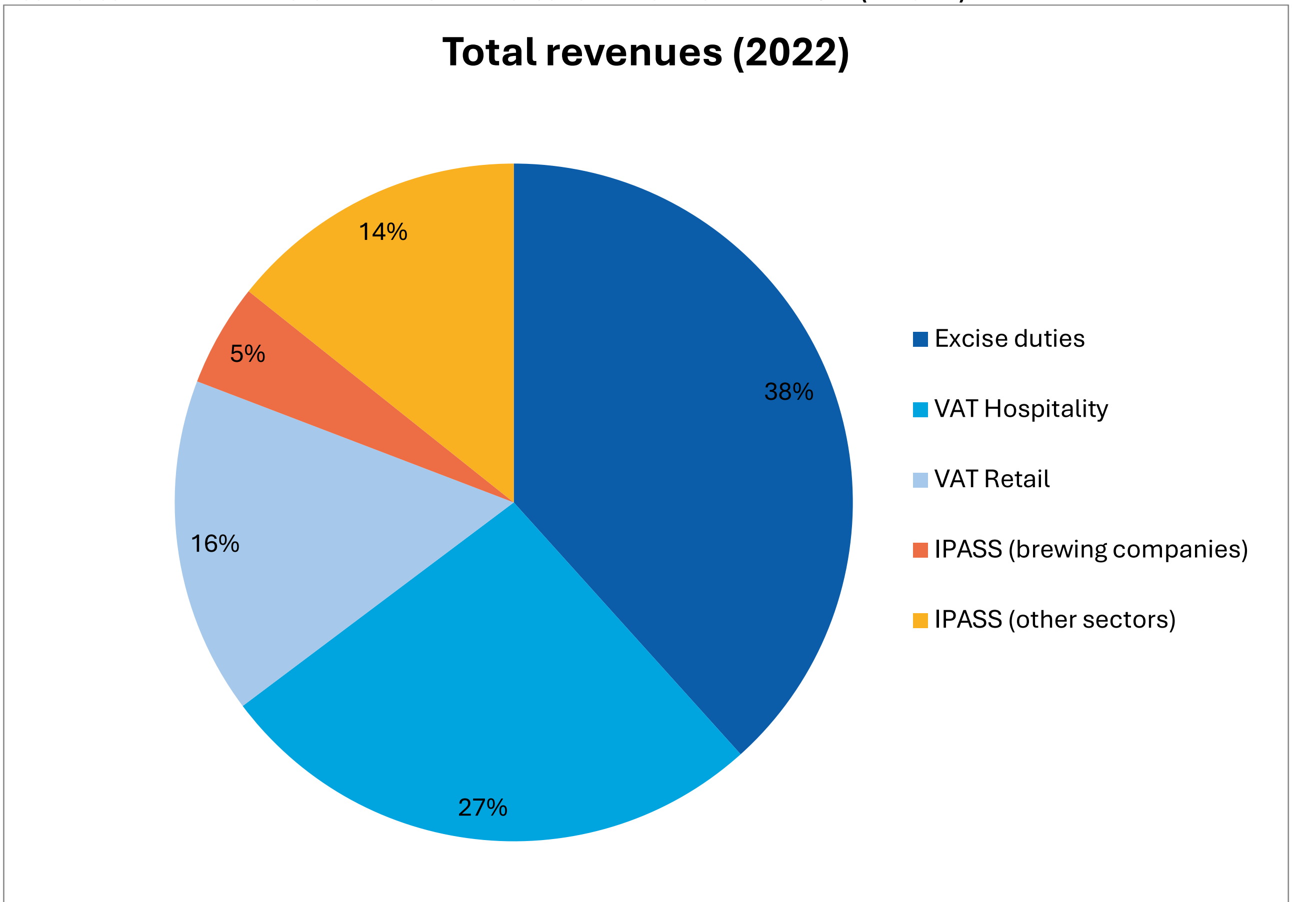
Source: Calculations based on data from Eurostat, National Associations, and the Individual Brewers Questionnaire.

The employment in the supply sector can be broken down using the estimates from the responses to the survey to brewers. These imply a job breakdown of 184 jobs in agriculture, 126 jobs in packaging, 157 jobs in transport, 199 jobs in media and marketing (the remaining corresponding to utilities, equipment, other).

7 GOVERNMENT REVENUES RELATED TO BEER

Government revenues are largely drawn from excise duty payments. Considerable proportions continue to be sourced from the sale of beer in the hospitality sector and retail sector in the form of VAT. This highlights the continued importance of the Slovenian hospitality sector to the economy, even with the shift towards retail 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 the entire period, total government revenues did not stray much from the period average of approximately €220 million, with a drop in 2020 and recovery in 2022.

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

	2016	2018	2020	2022
Excise duties	85	91	83	89
VAT Hospitality	67	58	47	61
VAT Retail	35	34	33	37
IPASS (brewing companies)	8	7	13	11
IPASS (other sectors)	42	36	34	33
Total government revenues	**227**	**216**	**210**	**232**

Note: IPASS - Income, payroll tax and social security

Source: Calculations - different sources.