



IRISH
BREWERS
ASSOCIATION



THE IRISH BEER MARKET

2017



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The Irish Brewers Association (IBA) 'Beer Market Report' highlights the role of the brewing sector in Ireland's economy. Beer comfortably remains Ireland's favourite alcohol beverage accounting for just under 45% market share of all alcohol consumed in 2017.

In 2017, Ireland's economy experienced rapid economic growth at 7.8% and cemented its place as the fastest growing economy in the European Union for a fourth consecutive year. In 2017 employment grew by 2.9% and is now approaching peak levels. In many sectors it has exceeded 2007 levels. Added to that, disposable income in Ireland rose by over 5% in 2017 and consumer price inflation remained flat.

Despite unprecedented purchasing power for consumers (when borrowing is excluded), the per capita rate of alcohol consumption fell by 1.4% in 2017. Beer consumption per capita decreased by 2%. This is in line with an overall trend that people in Ireland are drinking much less with the average per adult consumption rate falling by 23% since 2001. In more positive news beer production has increased in 2017 by 4%.

» THE IBA CALLS ON THE GOVERNMENT TO HELP THE INDUSTRY BY REDUCING EXCISE ON BEER AND TEMPERING SOME OF THE REGRESSIVE MEASURES ON LABELLING AND ADVERTISING IN THE FORTHCOMING PUBLIC HEALTH (ALCOHOL) BILL.

Beer exports, by volume, rose marginally by 0.2% in 2017 and were valued at €273 million in 2017 making Ireland the 8th largest beer exporter in Europe. The value of exports is down marginally from €280 million in 2016, but still up significantly from €228 million in 2014. The most popular destination for Ireland's beer exports is the United Kingdom, followed by the United States.

In terms of the market share of beer variants, ale saw the biggest growth with a jump from 6.1% to 6.7% market share in 2017. Lager's market share is steady at 61%, up by 0.1% from the previous year. Stout's market share was 32.3% in 2017, down from 33.0% in 2016.

Ireland's on-trade beer sales continue to outperform off-trade sales by 64.8% to 35.2%. Although the on-trade percentage is down from 66.3% in 2016, it is worth noting that no other country in the European Union has a higher percentage of on-trade versus off-trade beer sales which highlights the continued strength of Ireland's hospitality sector.

The craft beer sector continues to grow with production going from 86,000 Hectolitres in 2014 to an estimated 238,000 Hectolitres in 2017. That represents a 177% production growth in 4 years. It is estimated that there are 100 microbreweries with 72 of them being full production breweries, with 69% of them exporting to the UK, the United States, Italy and other markets.

The brewing sector continues to make a significant contribution to the exchequer both directly and indirectly. In 2017 beer excise contributed just under €424 million to the exchequer, a decrease from €430 million in 2016. The beer excise receipts have increased by €116 million from 2012 due to a 42% excise duty increase from 2012 to 2013. While it is welcome that excise duty has not increased since then, consumers still endure the second most expensive prices for alcohol in the European Union.

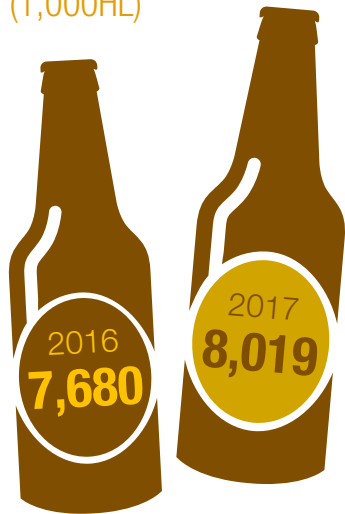
Beer is a significant economic and cultural asset in Ireland. The IBA calls on the Government to help the industry by reducing excise on beer and tempering some of the regressive measures on labelling and advertising in the forthcoming Public Health (Alcohol) Bill.

Jonathan McDade
Head of the Irish Brewers Association



TOTAL PRODUCTION

(1,000HL)



Source: IBA members

TOTAL EMPLOYMENT



Source: IBA members

TOTAL CONSUMPTION

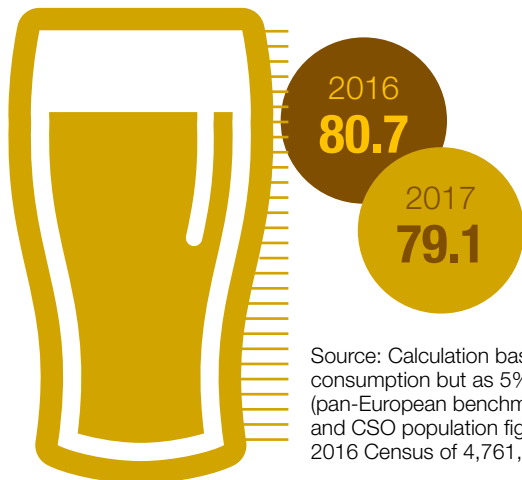
(1,000HL)



Source: Revenue Commissioners

PER CAPITA CONSUMPTION

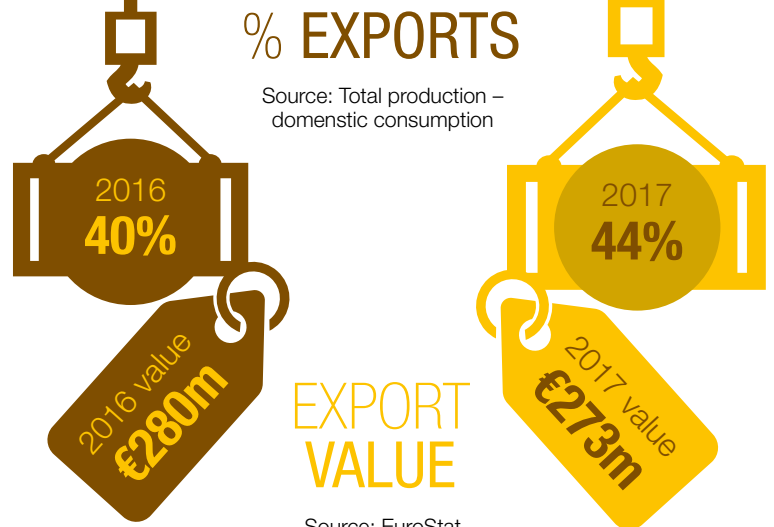
(LITRES PER CAPITA)



Source: Calculation based on consumption but as 5%ABV (pan-European benchmark) and CSO population figure of 2016 Census of 4,761,865

% EXPORTS

Source: Total production – domestic consumption



EXPORT VALUE

Source: EuroStat

CRAFT BEER MARKET



	2014	2015	2016	2017
Production output of microbreweries	86,000HL	134,000HL	176,000HL	238,000 HL <i>Estimate</i>
Production % Market Share	1.2%	1.7%	2.3%	2.9% <i>Estimate</i>

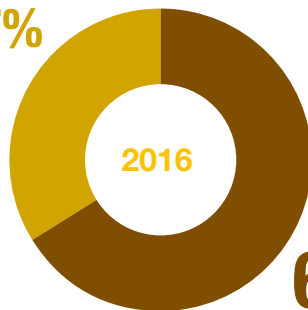
Source: Bord Bia Report: Craft Beer & Microbreweries in Ireland 2017

SALES CHANNEL

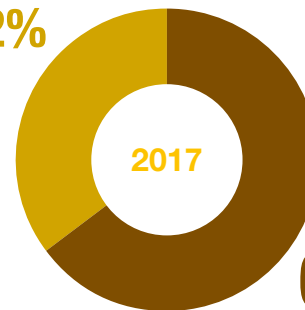
- On-Trade
- Off-Trade

Source: IBA members

33.7%



35.2%



66.3%

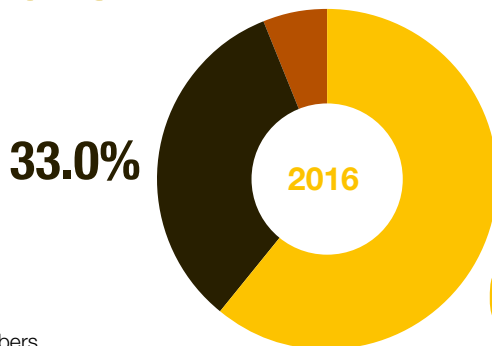
64.8%

VARIATIONS

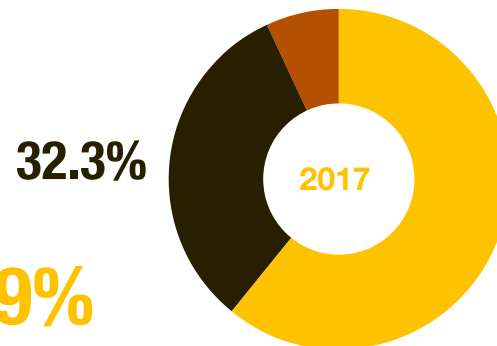
- Lager
- Stout
- Ale

Source: IBA members

6.1%



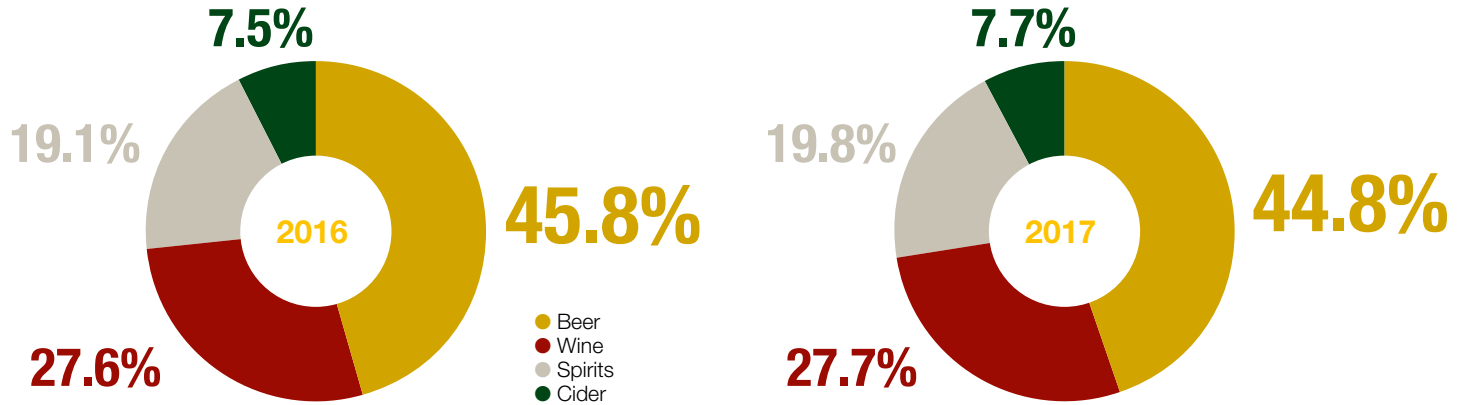
6.7%



60.9%

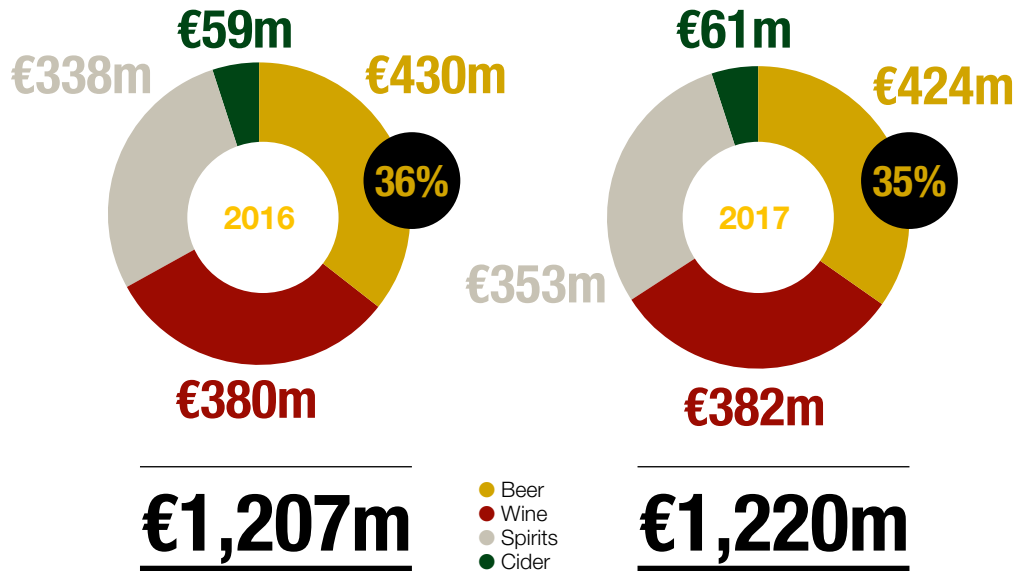
61.0%

ALCOHOL CONSUMPTION BY CATEGORY MIX



Source: Revenue Commissioners

EXCISE RECEIPTS



Source: Revenue Commissioners

EXCISE DUTY ON A PINT



Based on the CSO average price of stout and lager in May 2018

PAN EUROPEAN BEER PER CAPITA CONSUMPTION

(LITRES OF BEER AT 5 PERCENT OF ABV)

Rank	Country	Per capita consumption
1	Czech Republic	143
2	Germany	104
3	Austria	103
4	Poland	98
5	Lithuania	88
6	Estonia	80
7	Romania	80
8	Slovenia	79
9	Ireland	79
10	Latvia	78
11	Finland	77
12	Bulgaria	76
13	Croatia	75
14	Luxembourg	74
15	Slovakia	73
16	Netherlands	69
17	Belgium	68
18	United Kingdom	67
19	Denmark	62
20	Hungary	62
21	Cyprus	55
22	Malta	53
23	Sweden	48
24	Portugal	47
25	Spain	46
26	France	33
27	Italy	31
28	Greece	N/A

Source: Brewers of Europe (2016) and IBA (2017)

EUROPEAN BEER EXCISE RATES

(IN EURO PER HECTOLITRE OF PURE ALCOHOL)

Rank	Country	HL Excise Rate
1	Finland	153.84
2	Ireland	108.24
3	United Kingdom	100.51
4	Sweden	97.32
5	Estonia	74.50
6	Greece	60.00
7	Slovenia	58.08
8	Netherlands	37.96
9	Italy	36.24
10	Denmark	36.13
11	France	35.57
12	Lithuania	34.13
13	Cyprus	28.80
14	Croatia	25.41
15	Hungary	24.84
16	Belgium	24.05
17	Austria	24.00
18	Malta	23.16
19	Poland	22.24
20	Latvia	21.60
21	Portugal	20.60
22	Slovakia	17.22
23	Czech Republic	15.03
24	Spain	9.96
25	Luxembourg	9.52
26	Germany	9.44
27	Bulgaria	9.20
28	Romania	8.57

Rates at December 2017
Source: Brewers of Europe

EXPORT DESTINATIONS

Canada
€14m

USA
€58m

UK
€111m

France
€19m

Germany
€14m

Rank	Country	Value €m
1	United Kingdom	€111
2	United States	€58
3	France	€19
4	Canada	€14
5	Germany	€14

Source: CSO



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