



IRISH BEER MARKET 2016



Email: abfi@ibec.ie | www.abfi.ie

The Alcohol Beverage Federation of Ireland
Confederation House 84/86 Lower Baggot Street Dublin 2
Telephone: +353 (0)1 605 1581 Fax: +353 (0)1 638 1581

Irish Beer Market Report 2016

The Irish Brewers Association (IBA) 'Beer Market Report' highlights the crucial role played by the brewing sector in the Irish economy. According to data from Revenue, beer remains Ireland's favourite drink accounting for just over 46% market share of all alcohol consumed in 2016.

In 2016 Ireland's economy continued to perform well and was the fastest growing economy in the European Union for a third consecutive year. In 2016, unemployment fell by 2%, wages went up 1% and household disposable income increased by 6%. After a marginal decline in beer consumption in 2015, last year saw overall increase in consumption by 3% while per capita consumption rose by just under 1%. Alcohol consumption in Ireland has declined significantly in the past decade with beer consumption levelling off in recent years.

Ireland's beer exports continued to perform strongly and were valued at €280 million in 2016. This figure is only down marginally from €285 million in 2015 but up significantly from €228 million in 2014. Irish beer exports account for 20% of Ireland's total beverage exports. The slight fall in exports is in line with a marginal fall in overall production by just under 1%.

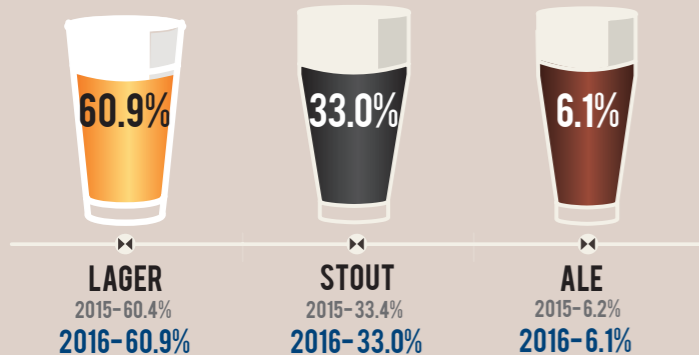
In terms of beer variants, lager made a slight recovery in 2016 after losing market share to ale and stout in particular in 2015. Ireland's on-trade beer sales continue to out-perform the off-trade by a ratio of almost two to one. No other country in the European Union has a higher percentage of on trade versus off trade beer sales. The craft beer sector continues to grow with an estimated 3.4% market share in 2016, up from 2.5% in 2015 and 1.2% in 2014.

The brewing sector continues to make a significant contribution to the exchequer both directly and indirectly. In 2016 beer excise contributed just under €430 million to the exchequer, an increase from €417 million in 2015. The beer excise receipts has increased by €122 million increase from 2012 due to a 42% excise duty increase over the past six years. Beer is a significant economic and cultural asset in Ireland. Unfortunately Irish beer drinkers pay the second highest rate of excise in Europe while overall alcohol prices are the most expensive in the European Union. With the

looming challenge of Brexit, the Irish Government must avoid economic own goals that would negatively impact the brewing sector. Reducing the excise rate on beer would be a welcome move.

Jonathan McDade
Head of the Irish Brewers Association

VARIANTS



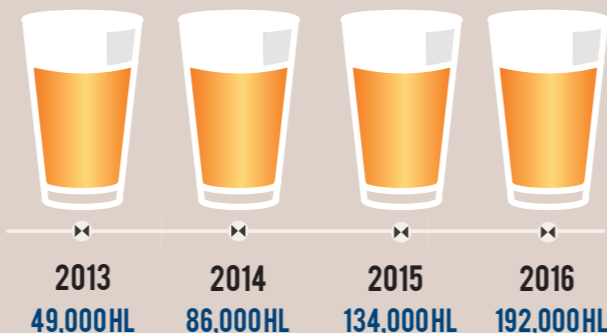
Source; IBA Members

HEADLINES

TOTAL PRODUCTION (1,000 HL) Source: IBA Members	2015 7,755	2016 7,680
TOTAL EMPLOYMENT Source: IBA Members	2015 1,708	2016 1,371
TOTAL CONSUMPTION (1,000 HL) Source: Revenue Commissioners	2015 4,414	2016 4,576
PER CAPITA CONSUMPTION Source: Calculation based on (3) but at 5% ABV (pan-European benchmark) and CSO population figure of 2016 Census of 4,761,865.	2015 79.9	2016 80.7
% EXPORTS Source: Total Production (1) - total Consumption (3)	2015 43%	2016 40%
EXPORT VALUE Source: Eurostat / Revenue Commissioners	2015 €285m	2016 €280m

CRAFT BEER MARKET

Production output of microbreweries



Market Share of sales

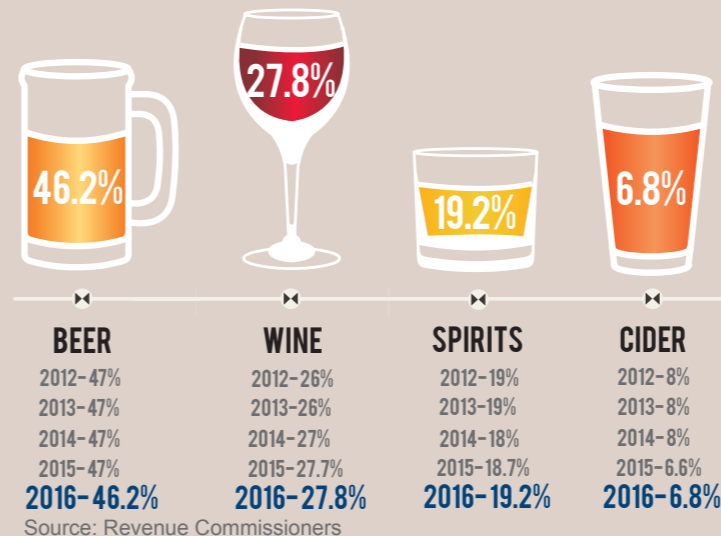
2016 - 3.4% estimate 2015 - 2.5% 2014 - 1.2%

Source - The Development and Economic Impact of Microbreweries in Ireland - A Report for the Independent Craft Brewers of Ireland

SALES CHANNEL

ON-TRADE	2015 67.3%	2016 66.3%
OFF-TRADE	2015 32.7%	2016 33.7%

ALCOHOL CONSUMPTION BY CATEGORY MIX



EXCISE RECEIPTS ON ALCOHOL (€M)

	2012	2013	2014	2015	2016
BEER	308	358	425	417	430
SPIRITS	264	290	301	311	338
CIDER	43	52	59	54	59
WINE	231	302	355	355	380
TOTAL	846	1002	1140	1137	1207
BEER AS %	36	36	36	37	36

Source; Revenue Commissioners

EXCISE DUTY ON A PINT

based on the CSO national average price index



PAN EURO BEER PER CAPITA CONSUMPTION

- litres of beer @5% ABV

CZECH REPUBLIC	143
GERMANY	106
AUSTRIA	105
POLAND	98
LITHUANIA	92
IRELAND	80
LUXEMBOURG	80
ROMANIA	80
LATVIA	78
CROATIA	77
FINLAND	77
SLOVENIA	77
BULGARIA	74
SLOVAKIA	73
BELGIUM	71
ESTONIA	71
THE NETHERLANDS	68
UK	67

Source: Brewers of Europe (2015) & IBA (2016)

EUROPEAN BEER EXCISE RATES

in Euro per hectolitre of pure alcohol

FINLAND	153.84	POLAND	22.03
IRELAND	108.24	FRANCE	35.57
UK	100.42	LITHUANIA	34.13
SWEDEN	100.23	CYPRUS	28.80
ESTONIA	74.50	CROATIA	25.89
GREECE	60.00	HUNGARY	25.22
SLOVENIA	58.08	BELGIUM	24.05
NETHERLANDS	37.96	AUSTRIA	24.00
ITALY	36.24	MALTA	23.16
DENMARK	36.16	PORTUGAL	20.60
		LATVIA	20.16
		SLOVAKIA	17.22
		CZECH REPUBLIC	14.69
		SPAIN	9.96
		LUXEMBOURG	9.52
		GERMANY	9.44
		BULGARIA	9.20
		ROMANIA	8.63

Rates at July 2017

Source: Brewers of Europe