



The Contribution made by Beer to the European Economy

 Austria - January 2016

AUSTRIA

1. COUNTRY PROFILE

	2014
Population	8,504,850
Currency	Euro
GDP per capita in PPS (2012, EU28 = 100)	128

Source: Eurostat and National Statistical offices.

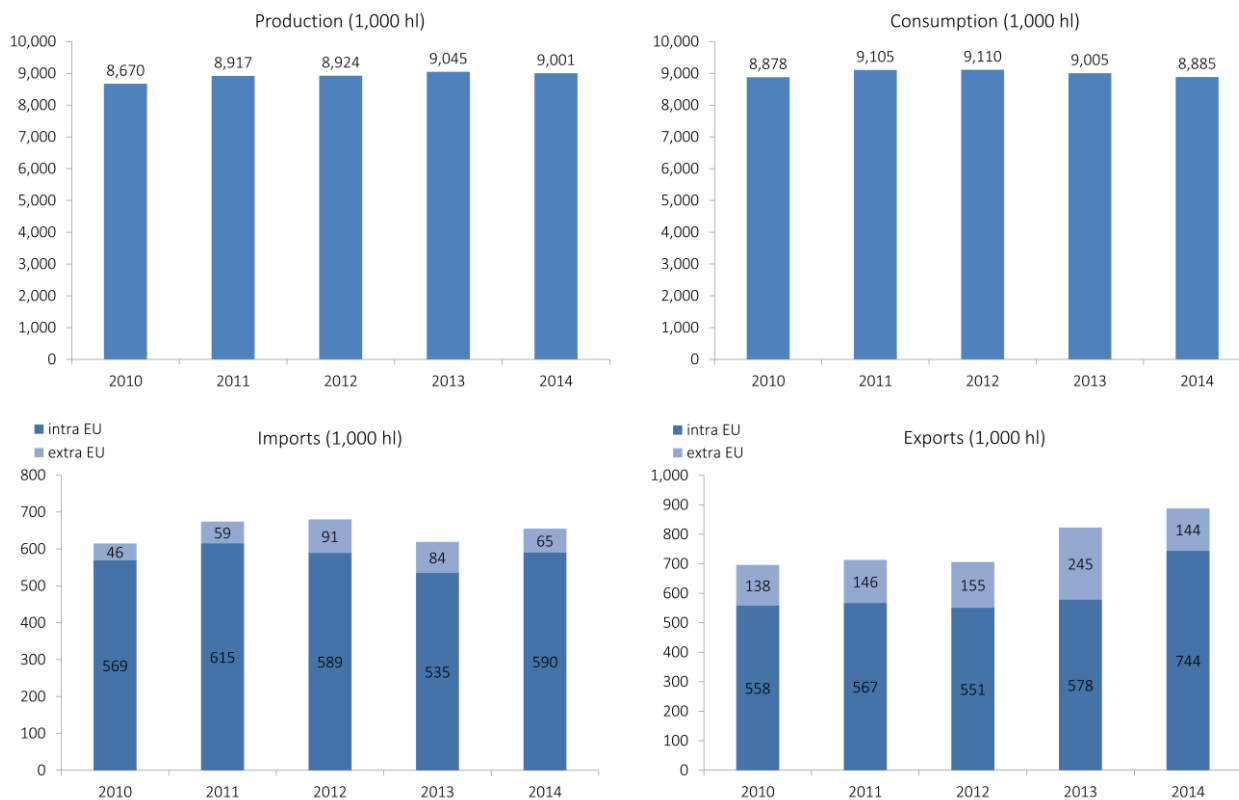
2. HIGHLIGHTS AUSTRIA

Table 1: Economic impact of beer in Austria (2013-2014)

	2013	2014	% Change
Total number of jobs	52,944	49,193	-7.1 %
Value-added (million Euro)	1,722	1,648	-4.3 %
Government revenues (million Euro)	1,104	1,072	-2.9 %

Source: Calculations - different sources.

Figure 1: Development of production, consumption, imports and exports (2010-2014)



Source: National associations.

3. BREWING SECTOR

Table 2: Basic characteristics of the Austria brewing sector (2013-2014)

	2013	2014
Total production (in hectolitres)	9,045,000	9,001,000
Brewing companies	185	189
Breweries (including microbreweries)	194	198
Microbreweries	109	109

Source: National Associations.

Total production of beer remained above 9 million hectolitres in 2014, showing a slightly decreasing trend with respect to 2013. The number of breweries in Austria is increasing, with nearly 200 in 2014.

4. BEER MARKET

Table 3: Basic characteristics beer market (2013-2014)

	2013	2014
Total consumption in hectolitres	9,005,000	8,885,000
Total consumer spending (in million Euro)	2,940	2,825
Consumption of beer per capita (in litres)	106.2	104.0
Beer consumption on-trade (hospitality)	32%	29%
Beer consumption off-trade (retail)	68%	71%
Average consumer price in on-trade (1 litre, including taxes) (in Euro)	6.76	6.90
Average consumer price in off-trade (1 litre, including taxes) (in Euro)	1.62	1.66

Source: National Associations.

Consumption declined slightly from 2013 to 2014, the price rose and the on-trade share declined, but the market was broadly stable.

5. TRENDS AND DEVELOPMENTS

There has been a slight fall in consumption, though Austria remains one of the countries which consume most beer per capita worldwide. Consumption per capita remains stable, but with some changes in the structure of consumption:

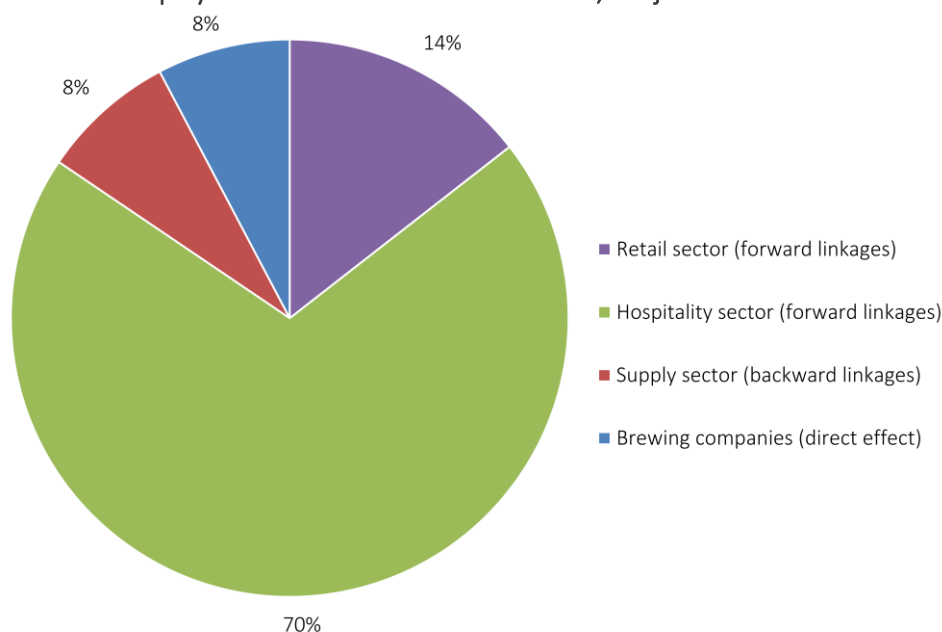
- more beer is being consumed at home;
- more non-alcoholic and light beers are being consumed;
- more beer mixes are being consumed (e.g. Radler); and,
- craft and specialty beers continue to gain in popularity.

In response to those trends, firms have successfully devised new products, including more flavourful non-alcoholic beers, and entered the craft beer sector. They have also met consumer expectations for increased sustainability, with measures such as cuts to energy consumption. Examples include “Green Brewery Göss”, established by Brau Union Österreich, which is working towards complete neutrality with respect to carbon dioxide emissions and implementing practical measures such as the processing of spent grains to biogas.

6. EMPLOYMENT GENERATED BY THE BEER SECTOR

The contribution to employment in Austria in 2014 was nearly around 49,000, a fall from the 52,900 jobs in 2013. As in the rest of Europe, most are employed in the hospitality sector, which accounted for 70 per cent of the employment contribution.

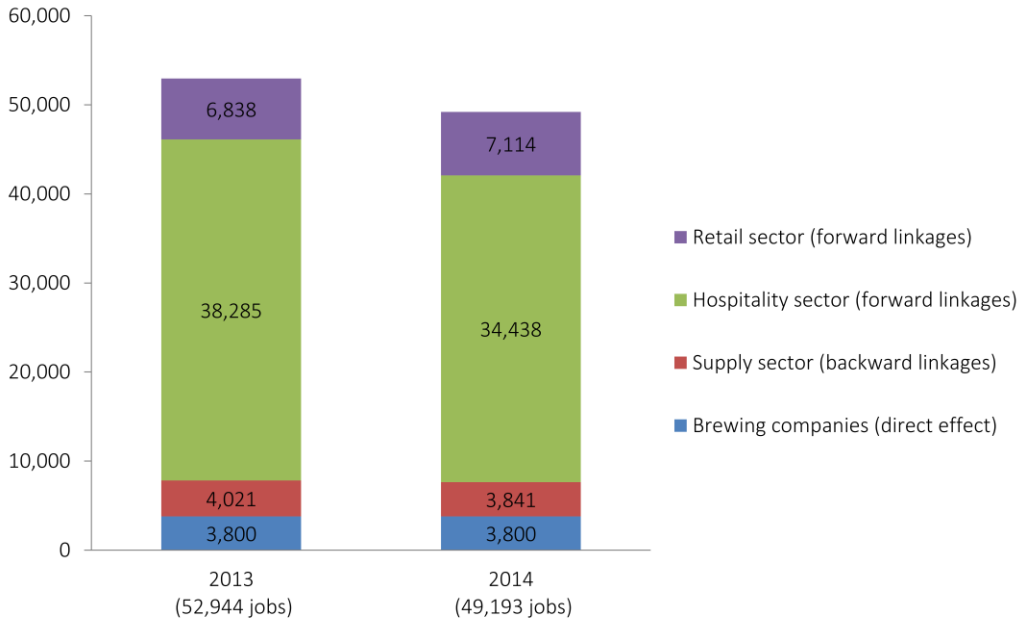
Figure 2: Total employment because of beer in 2014: 49,193 jobs



Source: Calculations - different sources.

Employment increased in the retail sector, reflecting rising off-trade consumption, but declined across other sectors, with the largest decline occurring in the hospitality sector, reflecting the decline in on-trade consumption.

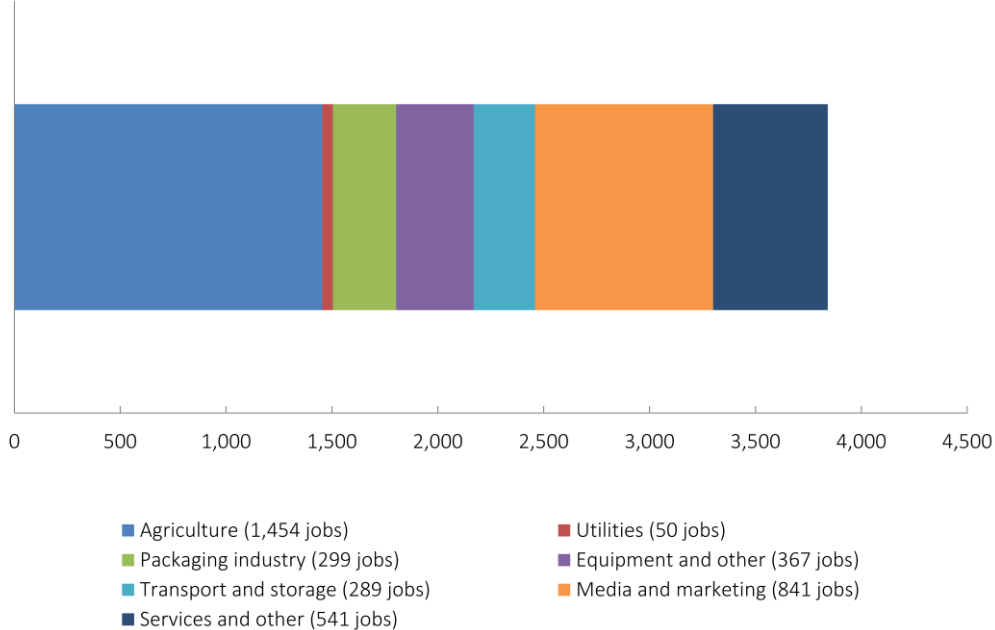
Figure 3: Change in employment (2013-2014): -7.1 %



Source: Calculations - different sources.

Employment in supply sectors is the largest in agriculture (around 1,500 jobs) and the media and marketing sector (over 840 jobs).

Figure 4: Indirect employment in 2014: 3,841 jobs

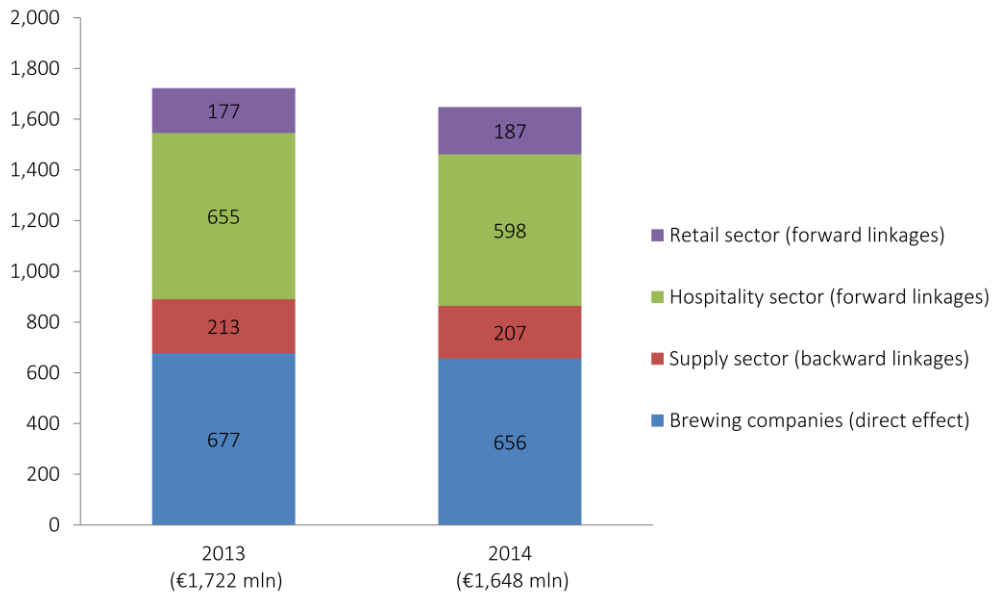


Source: Calculations - different sources.

7. VALUE ADDED GENERATED BY THE BEER SECTOR

Value added generated by the beer sector has declined from €1.7 billion in 2013 to €1.6 billion in 2014. The sectoral pattern is similar to that of employment with an increase in the retail sector and a decline elsewhere.

Figure 5: Change in value added (2013-2014): -4.3 %

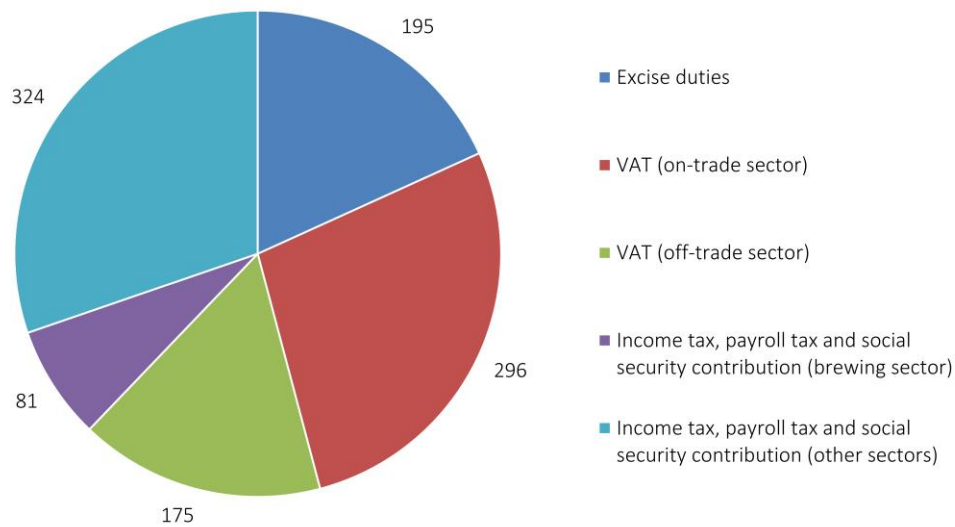


Source: Calculations - different sources.

8. GOVERNMENT REVENUES RELATED TO BEER

Total revenue related to beer production and sales was around €1.1 billion. The largest shares in government total revenues are represented by income and payroll taxes from other sectors and VAT in the on-trade, showing its continued importance despite the decline in on-trade volumes.

Figure 6: Government revenues generated by beer in 2014: 1,072 million Euro



Source: Calculations - different sources.

Excise duties and VAT in the off-trade increased from 2013 to 2014, while VAT in the on-trade declined (reflecting declining consumption). Labour taxes in the wider supply chain fell, but they rose in the brewing sector itself. Overall total government revenues are broadly stable at around €1.1 billion.

Table 4: Government revenues (2013-2014)

	2013	2014	% Change
Excise duties (million Euro)	193	195	1.1 %
VAT (on-trade) (million Euro)	325	296	-8.7 %
VAT (off-trade) (million Euro)	165	175	5.6 %
Income tax, payroll tax and social security revenues (brewing companies) (million Euro)	80	81	1.8 %
Income tax, payroll tax and social security revenues (other sectors) (million Euro)	341	324	-4.9 %
Total government revenues (million Euro)	1,104	1,072	-2.9 %

Source: Calculations - different sources.

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